

DISTRICT OF COLUMBIA ACT TO REGULATE RENTS, TO PREVENT
FRAUDULENT TRANSACTIONS RESPECTING REAL ESTATE, AND
TO CREATE A REAL ESTATE COMMISSION

FEBRUARY 6, 1925.—Committed to the Committee of the Whole House on the
state of the Union and ordered to be printed

Mr. LAMPERT, from the Committee on the District of Columbia,
submitted the following

REPORT

[To accompany H. R. 12154]

The Committee on the District of Columbia, to which was referred the bill (H. R. 12154) to extend the provisions of Title II of the food control and District of Columbia rents act, as amended; to prevent fraudulent transactions respecting real estate; to create a Real Estate Commission for the District of Columbia; to define, regulate, and license real estate brokers and real estate salesmen; to provide a penalty for a violation of the provisions thereof; and for other purposes, having considered the same, do report it back to the House, without amendment, and recommend that the bill be passed.

The Committee on the District of Columbia appointed a subcommittee, consisting of five members, to consider in joint session with a similar subcommittee of the Senate, appointed by the Senate Committee on the District of Columbia, various bills relating to the regulation and control of rents and to prevent fraudulent transactions respecting real estate and bills relating to the licensing of real estate brokers and real estate salesmen in the District.

During the month of January this joint committee held a number of hearings extending over a period of more than two weeks. At these hearings testimony was given by tenants, landlords, real estate agents, a representative of labor and of Federal employees, and the chairman of the Rent Commission. When the hearings were closed Senate bill 4227 was introduced by Senator Copeland on February 3 and the bill before you (H. R. 12154), which is in all respects similar, was introduced by Mr. Lampert on February 4, 1925. This bill has been approved by a majority of the subcommittee and was reported to the House District Committee.

On February 6 the House District Committee approved the bill without making any amendments. The bill is divided into three titles: Title I extends the rent law of October 22, 1919, as amended, to May 22, 1927; it amends section 122 of the existing law to take effect on May 22, 1925, and after that date the law will be based upon the police power of Congress over the District "in pursuance of its power to exercise exclusive legislation over the seat of the Government." Your committee finds that the emergency in respect of rentals of dwelling properties in the District of Columbia still exists; that increased rentals have been and are being continuously demanded of tenants, accompanied with threats of eviction, and in several cases actual eviction for refusal to pay the increase demanded; that vacancies in dwellings and apartments do not exist in sufficient numbers to allow voluntary leases between landlords and tenants; that the law of supply and demand is still inoperative; that because of the scarcity of vacancies in moderate and low-priced apartments, freedom of contract does not exist and that leases have, in many cases, been made under compulsion, amounting almost to duress.

Title II of the act, to prevent fraudulent transactions respecting real estate, makes it unlawful to combine to prevent full and free competition in the renting of real estate; it requires that trusts shall be numbered and shall recite the full amount of prior trusts; it makes simulated sale of property with intent to increase its value or the execution of a deed of trust which does not represent a bona fide indebtedness unlawful; it provides a fine of \$1,000, or imprisonment for one year, or both, for a violation of its provisions. The object of this title is to prevent fictitious sales and the making of fictitious trust deeds on property, and is for the protection of investors in notes secured by such trust deeds.

Title III provides for a real estate commission for the District of Columbia to consist of seven members to be selected by the President from a list of names submitted by the Federation of Citizens' Associations of the District, the Washington Board of Trade, and the Washington Real Estate Board; it provides for licensing real estate brokers and salesmen in the District, and the regulation and discipline of persons engaged in the sale or rental of real estate or loan secured by trusts thereof.

The situation which arose after the decision in the case of *Peck v. Fink*, by the Court of Appeals of the District has rendered conditions for tenants in the District intolerable, and immediate legislation for their relief is necessary.

The proposed act will not go into effect until March 31, next.

Your committee recommends that the bill be enacted into law without further amendment.

DISTRICT OF COLUMBIA ACT TO REGULATE RENTS, TO PREVENT
FRAUDULENT TRANSACTIONS RESPECTING REAL ESTATE, AND
TO CREATE A REAL ESTATE COMMISSION

FEBRUARY 7, 1925.—Ordered to be printed

Mr. BLANTON, from the Committee on the District of Columbia, sub-
mitted the following

MINORITY VIEWS

[To accompany H. R. 12154]

Seven members of the committee on the District of Columbia voted to favorably report this bill extending the life of the present Rent Commission for two more years.

This bill so reported has three titles. The first is ridiculous. But Titles II and III are salutary, constructive, and necessary, and should be passed, but Title I should be eliminated.

Title I is a substitute for the bill sent to our committee by President Coolidge, and carries out the idea of his bill, but instead of making the Rent Commission a permanent institution of the Government, merely extends its life for two years.

Title II is word for word the bill which I introduced in the House on January 14, 1925, to wit, H. R. 11643, proposed by me "To prevent fraudulent transactions respecting real estate in the District of Columbia." It was approved by every member of the joint committee of the Senate and House of Representatives, with not a vote against it. And it was incorporated in the committee bill as Title II which the full Senate Committee on the District of Columbia reported favorably, and which was then reported to the Senate by the Senator from New York (Mr. Copeland) as S. 4227. And not a member of the House Committee on the District of Columbia opposed this Title II, but approved it and incorporated it in its bill reported favorably to the House by the gentleman from Wisconsin (Mr. Lampert) on January 6, 1925.

Title III of this bill favorably reported by the House Committee on the District of Columbia, reported by the gentleman from Wisconsin (Mr. Lampert), is word for word the bill which I introduced in the House on January 17, 1925, being H. R. 11722—

To create a real estate commission for the District of Columbia; to define, regulate, and license real estate brokers and real estate salesmen; and to provide a penalty for a violation of the provisions hereof.

It was unanimously approved by the members of the joint committee of the Senate and House, without any objections being made to any of its provisions, and it was likewise made "Title III" in the Senate bill favorably reported by the full Senate Committee on the District of Columbia, in the bill (S. 4227) reported to the Senate by the Senator from New York (Mr. Copeland). There was no fight made against any of its provisions by any member of the House Committee on the District of Columbia, and no motion was made to amend it.

BUT TITLE I IS SOCIALISTIC AND VICIOUS

As said before, Title I is unconstitutional, so held by the Supreme Court of the United States, and should be eliminated from the bill. In order that my colleagues may fully understand the history of this rent-control legislation, I will as briefly as possible now give you some of the salient facts concerning it.

PRESIDENT COOLIDGE'S PROPOSED RENT CONTROL BILL

On December 27, 1924, the following letter was sent by Mr. Coolidge, President of the United States, not to Congress but direct to the gentleman from West Virginia, Mr. Reed, chairman of the Committee on the District of Columbia, to wit:

THE WHITE HOUSE, December 27, 1924.

HON. STUART F. REED,

Chairman Committee on the District of Columbia,

House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Inclosed is a copy of the bill that I have had prepared by the Rent Commission, or, more especially, by Mr. Whaley, undertaking to provide a law that would deal with the present difficulty in the District. I wish that you would submit it to the committee for their consideration. As you know, this matter is very important and has a very direct effect upon the employees of the Government resident in Washington.

Very truly yours,

CALVIN COOLIDGE.

PRESIDENT GOT PROMPT ACTION

Promptly after receiving said letter from the President, Chairman Reed, of the Committee on the District of Columbia, introduced in the House the President's bill thus sent him, in the identical form sent by the President, same being H. R. 11078, introduced in the House on December 29, 1924, and a copy of this identical bill of the President's was on the same day likewise introduced in the Senate by the Senator from Delaware, Mr. Ball, being S. 3764.

MOST REMARKABLE PROVISIONS IN PRESIDENT'S BILL

Let me call attention to some of the provisions in this Calvin Coolidge bill, from which I quote:

SEC. 3. A commission is hereby created and established, as an independent establishment of the Federal Government, to be known as the Rent Commission of the District of Columbia. The commission shall be composed of five commissioners, one of whom shall be an attorney at law and all of whom shall devote their entire time to the duties of the office, who shall be appointed by the President by and with the advice and consent of the Senate. The commissioners

appointed under the provisions of Title II of the food control and District of Columbia rents act, approved October 22, 1919, as amended, shall, after this act takes effect, continue to act as commissioners of the commission hereby created and established until their successors shall have been appointed by the President and shall have qualified. The terms of the five commissioners who may be first appointed by the President shall expire, respectively, in one, two, three, four, and five years from the 22d day of May, 1925, and the President shall designate the term of each appointee at the time of making each appointment.

SEC. 4. The term of each commissioner appointed after May 22, 1925, to take the place of any commissioner whose term is about to expire, shall be for a period of five years, dating from May 22 of each year. Any vacancy in the office of any such commissioner shall be filled in the same manner as the original appointment, except that the appointment of the commissioner shall be made only for the unexpired term of the commissioner whom he succeeds. A vacancy in the commission shall not impair the right of the remaining commissioners to exercise all the powers of the commission.

SEC. 5. No commissioner shall be appointed who is directly or indirectly engaged in, or in any manner interested in or connected with, the real estate or renting business in the District of Columbia.

SEC. 6. Each commissioner shall receive a salary of \$6,000 per annum. The commission shall appoint an attorney at a salary not to exceed \$5,000 per annum and two assistant attorneys, who shall give their time exclusively to the work, at salaries not to exceed \$2,500 per annum, as the commission may deem proper and necessary to carry into effect the intent of this act. The commission shall also appoint a secretary-treasurer at a salary of not to exceed \$3,500 per annum, who shall give bond in such sum, not exceeding \$10,000, as shall be fixed by the commission; a field engineer at a salary not to exceed \$3,500 per annum; and may appoint such stenographic reporters as the commission shall deem necessary, capable of taking testimony, verbatim, at all hearings of the commission at salaries to be fixed exclusively by the commission, but not to exceed \$2,000 per annum; all such appointees shall be removable at the pleasure of the commission. Subject to the United States civil service laws, the commission may appoint and remove such other officers, employees, and agents as may be necessary to the administration of this act. All salaries shall be paid semimonthly.

LARGE RAISE IN SALARIES

Note that under the President's bill, the five commissioners have their salaries raised from \$5,000 to \$6,000, and note that in addition to their attorney at \$5,000, they are given two assistant attorneys at \$2,500 each per annum, and are given a new officer, a secretary-treasurer at \$3,500 per annum, and are given another new officer, a field engineer at \$3,500 per annum.

ARE GIVEN STENOGRAPHERS WITHOUT LIMIT

Also note that in the President's bill, this commission may appoint just as many stenographers as it desires without limit.

MAY ALSO APPOINT OFFICERS, EMPLOYEES, AND AGENTS WITHOUT RESTRICTION

Also note from the President's bill, that this commission is given the right to appoint and remove all officers, employees, and agents at will, without any restrictions whatever being placed over such appointments by Congress.

COMMISSION MAY SPEND MONEY AT WILL

Also note that the President's bill, in section 9, allows this commission to spend money without limitation. Let me quote his section 9:

SEC. 9. The commission may make such expenditures for rent, furniture, office equipment, law books, books of reference, periodicals, printing, telephone

service, telegrams, stationery, and for such other supplies and expenses as may be necessary to the administration of this act. The commission shall have the exclusive right to determine the necessity for such supplies and expenditures, which shall be signified by the written approval of the chairman of the commission on all vouchers for such expenditures, and his signature shall be a sufficient warrant and authority to the Comptroller General of the United States and the purchasing officer, the auditor, and the disbursing officer of the District of Columbia to approve, audit, and pay the same. The commission shall not be limited in its expenditures to the purchase of items contracted for by the municipality of the District of Columbia.

MEMBERS OF COMMISSION GIVEN FRANKING PRIVILEGE

Section 10 of the President's bill provides that the Rent Commission shall be accorded the use of penalty privilege envelopes by the Post Office Department, and free registration of mailable matter. No Senator and no Congressman can register mail free, but must pay for such registers.

PRESIDENT'S BILL ABSOLUTELY DESTROYS RIGHT OF PRIVATE CONTRACT

I now quote from the President's bill his section 13, to wit:

SEC. 13. The commission shall prescribe standard forms of leases and other contracts for the use or occupancy of any rental property or apartment and shall require their use by the owner thereof. Every such lease or contract entered into after the commission has prescribed and promulgated a form for the tenancy provided by such lease or contract shall be deemed to accord with such standard forms; and any such lease or contract in any proceeding before the commission or in any court of the United States or of the District of Columbia shall be interpreted, applied, and enforced in the same manner as if it were in the form and contained the stipulations of such standard form.

Hence after the passage of the President's bill, no persons in the District of Columbia will be permitted to enter into a private contract of lease, with terms different from those prescribed by this Rent Commission.

MAY NOSE INTO PEOPLE'S PRIVATE AFFAIRS

I quote from the President's bill his section 16:

SEC. 16. The commission, or any officer, employee, or agent duly authorized in writing by it, shall at all reasonable times have access to, for the purpose of examination and the right to copy, any books, accounts, records, papers, or correspondence relating to any matter which the commission is authorized to consider or investigate; and the commission shall have power to require by subpoena the attendance and testimony of witnesses and the production of all such books, accounts, records, papers, and correspondence relating to any such matter.

PRESIDENT'S BILL FIXES RENTS

The following is quoted from section 17 of the President's bill:

The commission may, after consideration of such plans, schedules, data, or other information, determine and fix a schedule of fair and reasonable rates and charges for such apartment; and the rates and charges when so fixed and stated in such schedule shall thereafter constitute the fair and reasonable rates and charges for such apartment.

MAY DISRUPT CONTRACTS ABSOLUTELY SATISFACTORY

Even where the property owner and the tenant are satisfied absolutely and neither has a complaint or grievance the President's bill gives this Rent Commission, on its own initiative, the right to interpose itself and to interfere with the peaceful tranquility of the parties and determine itself just what rentals and service shall be maintained, regardless of the terms of the agreeable contract. To show that this is the case I quote from the President's bill his section 20:

SEC. 20. For the purpose of this act it is declared that all rental property and apartments are affected with a public interest and that all rents and charges therefor, all service in connection therewith, and all other terms and conditions of the use or occupancy thereof shall be fair and reasonable; and any unreasonable or unfair provision of a lease or other contract for the use or occupancy of such rental property or apartment with respect to such rents, charges, service, terms, or conditions is hereby declared to be contrary to public policy. The commission upon its own initiative may, or upon complaint shall, determine whether the rent, charges, service, and other terms or conditions of a lease or other contract for the use or occupancy of any such rental property or apartment are fair and reasonable. The commission, or any member thereof or its duly authorized agent, shall have the right to inspect any and all such rental properties and apartments. Such complaints may be made and filed by or on behalf of any tenant and by or on behalf of the owner of any rental property or apartment, notwithstanding the existence of a lease or other contract between the tenant and the owner.

RENT COMMISSION MAY COMPEL OWNER TO FURNISH JUST WHAT REPAIRS AND SERVICE IT ORDERS

I quote the following from section 21 of the President's bill:

If the commission finds that the existing rents, charges, service, or other terms or conditions of the use or occupancy of any rental property or apartment are unfair and unreasonable, it shall fix and determine the fair and reasonable rents or charges for the rental property or apartment under consideration, and may fix and determine the fair and reasonable service, terms, and conditions of the use or occupancy of the rental property or apartment, and may also order and require the furnishing of such service by the owner as it shall lawfully determine to be fair and reasonable.

PRESIDENT'S BILL WOULD WITHHOLD PROPERTY FROM OWNER FOREVER

No matter how distasteful, wasteful, destructive, objectionable, and abusive a tenant might be to the property owner, as long as the Rent Commission ordered it no property owner could get rid of the tenant, for I quote from the President's bill his section 31:

SEC. 31. The right of a tenant to the use or occupancy of any rental property or apartment existing at the time this act takes effect, or thereafter acquired, under any lease or other contract for such use or occupancy, or under any extension thereof by operation of law, shall, notwithstanding the expiration of the term fixed by such lease or contract continue at the option of the tenant, subject, however, to any determination or regulation of the commission relevant thereto, and such tenant shall not be evicted or dispossessed so long as he pays the rent and performs the other terms and conditions of the tenancy as fixed by such lease or contract, or in case such lease or contract is modified by any determination or regulation of the commission then as fixed by such modified lease or contract.

EVEN SALE OF PROPERTY WILL NOT GET RID OF UNDESIRABLE TENANT

I show this by quoting from the President's bill his section 32:

SEC. 32. All remedies of the owner at law or equity, based on any provision of any such lease or contract to the effect that such lease or contract shall be

determined or forfeited if the premises are sold, are hereby suspended. Every purchaser shall take conveyance of any rental property or apartment subject to the rights of tenants as provided in this act.

ORDERS FIXED AND ETERNAL AS THE LAW OF THE MEDES AND PERSIANS

When the commission once determines what service shall be given and what rent shall be paid, all future owners must abide by such decision until it is set aside by the Rent Commission itself. I show this by quoting from the President's bill his section 39:

Sec. 39. The determination of the commission in a proceeding begun by complaint or upon its own initiative fixing fair and reasonable rents, charges, service, and other terms and conditions of use or occupancy of any rental property or apartment shall constitute the commission's determination of the fairness and reasonableness of such rents, charges, service, terms, or conditions for the rental property or apartment affected, and shall remain in full force and effect notwithstanding any change in ownership or tenancy thereof, unless and until the commission modifies or sets aside such determination upon complaint either of the owner or of the tenant.

PRESIDENT'S BILL PROVIDES THREE DIFFERENT PUNISHMENTS

To show the first punishment, I quote from the President's bill, his section 40:

Sec. 40. If the owner of any rental property or apartment collects any rent or charge therefor in excess of the amount fixed in a determination of the commission made and in full force and effect in accordance with the provisions of this act, he shall be liable for, and the commission is hereby authorized and directed to commence, an action in the municipal court of the District of Columbia to recover double the amount of such excess, together with the costs of the proceeding, which shall include an attorney's fee of \$50, to be taxed as part of the costs.

To show the second punishment, I quote from the President's bill, his section 46:

Sec. 46. The commission shall make, publish, and promulgate such rules, regulations, and orders governing the maintenance and operation of rental property and apartments as will tend to promote the health, morals, peace, comfort, and welfare of the community, and any violation thereof which shall continue to exist after 10 days' notice in writing to remove the same, served upon the owner or his agent, either personally or by registered mail, shall be punished by a fine to be imposed by the commission of not exceeding \$25 for each and every day after the service of said notice until such violation shall be removed.

To show the third punishment, I quote from the President's bill, his section 49:

Sec. 49. Any owner of any rental property or apartment in the District of Columbia who, having knowledge that the commission has fixed and determined the fair and reasonable rent or compensation to be charged therefor, collects or demands from the tenant rent or compensation for the use or occupancy of any such rental property or apartment in an amount in excess of the rate previously fixed and determined by the commission, shall be guilty of a misdemeanor, shall be prosecuted in the same manner as prescribed for other misdemeanors in the District of Columbia, and shall, upon conviction, be punished by a fine not exceeding \$1,000 or by imprisonment for not exceeding one year, or by both.

ADDITIONAL FOURTH PUNISHMENT FOR GOOD MEASURE

To show that it is an awful crime to be a property owner in the District of Columbia, the President's bill has inflicted a fourth pun-

ishment, and to show this, I quote from the President's bill, his section 50:

SEC. 50. Any owner who after the passage of this act (1) willfully fails to furnish the tenants of any rental property or apartment such service (a) as has ordinarily been furnished the tenant of such rental property or apartment prior to such failure, or (b) as is required either expressly or impliedly to be furnished by the lease or other contract for the use or occupancy of the rental property or apartment, or any extension thereof by operation of law, or (2) who with intent to avoid the provisions of this act enters into any agreement or arrangement for the payment of any bonus or other consideration in connection with any lease or other contract for the use or occupancy of any rental property or apartment, or who participates in any fictitious sale or other device or arrangement the purpose of which is to grant or obtain the use or occupancy of any rental property or apartment without subjecting such use or occupancy to the provisions of this act or to the jurisdiction of the commission, shall in either case be guilty of a misdemeanor, shall be prosecuted in the same manner as prescribed for other misdemeanors in the District of Columbia, and shall, upon conviction, be punished by a fine not exceeding \$1,000 or by imprisonment for not exceeding one year, or by both.

Would any sane American imagine that such a bill would come from Calvin Coolidge, President of the United States? It carries socialistic ideas further than many socialists you have in Minnesota and Wisconsin would be willing to hang as a millstone around the neck of this Republic.

As soon as I read that bill I got on this floor and I said that the newspapers must be mistaken; that that could not be the President's bill; that the President certainly could never have sent such a socialistic bill as that to the committee to consider; that he certainly could not be behind such a bill as that. I had more confidence in the sane, conservative character and disposition of the President of the United States than to believe that he could propose such a bill.

I did not believe it at first. I got on this floor and I said the newspapers were mistaken; that the President would not own and back that bill; yet every day and every week since that time there has been appearing in the press of the city statements that it is the President's bill, that he is backing it, that he is insisting upon its being passed, and I am forced to the conclusion that he is getting this pink rash.

CHRONOLOGICAL HISTORY OF RENT-CONTROL LEGISLATION

During the war the Sixty-fifth Congress passed a resolution which became effective May 31, 1918, titled: "To prevent rent profiteering in the District of Columbia." It recited that it was a war emergency act and should terminate when a treaty of peace was signed between the United States and Germany, and it prevented a landlord from dispossessing a tenant. It was a war emergency. The Government had brought to Washington about 75,000 additional employees. Housing facilities were inadequate. Numerous business interests sent representatives to Washington. Some avaricious rent profiteers doubled and trebled their rents overnight. But the resolution did not stop profiteering. Tenants would sublet at big profits. Subtenants would in turn sublet at additional profits. On one occasion I found eight girls occupying a large room on a third floor, with four double beds and little else in the room, and all eight were paying \$25 per month for such miserable accommodation. One died at a time when others in the room were sick. The poor girl, being from my district, brought this situation to my attention.

Then, after the armistice, Congress passed an act, becoming effective July 11, 1919, extending the life of said "antirent-profiteering resolution" for a period of 90 days following the definite conclusion of peace between us and Germany.

And then, becoming effective October 22, 1919, Congress passed the Ball Rent Act, as a continuing "war emergency," which was to terminate on October 22, 1921, which created a Rent Commission of three commissioners, at a salary of \$5,000 per year, and a secretary at \$3,000 per year, and authorized it to pass on rentals and prevented owners from dispossessing tenants. To show that it was deemed merely a temporary war emergency, let me quote from it the following section:

SEC. 122. It is hereby declared that the provisions of this title are made necessary by emergencies growing out of the war with the Imperial German Government, resulting in rental conditions in the District of Columbia dangerous to the public health and burdensome to public officers and employees whose duties require them to reside within the District and other persons whose activities are essential to the maintenance and comfort of such officers and employees, and thereby embarrassing the Federal Government in the transaction of the public business. It is also declared that this title shall be considered temporary legislation, and that it shall terminate on the expiration of two years from the date of the passage of this act, unless sooner repealed.

Then Congress passed an extending act, becoming effective August 24, 1921, extending the Rent Commission until May 22, 1922, and allowing such commission an attorney at \$5,000 per year.

I supported each and all of said laws as emergency measures made necessary by reason of the war and conditions following the war. When the chairman of the committee refused to have the bill considered, I joined certain members of the committee who forced its favorable report over the protests of the chairman. And when the chairman refused to call it up in the House I joined members of the committee who forced the bill to be taken up and passed, over the fight made against it by the chairman of the committee. I was willing to continue it the seven months from October 22, 1921, to May 22, 1922, for I knew that some heartless property owners would force tenants to vacate after the law expired on October 22, 1921, and I was afraid that with winter coming on some hardships might ensue.

Thus from May 31, 1918, until May 22, 1922, no landlord was permitted to increase the rent paid by his tenant unless permitted to do so by the Rent Commission, and however distasteful and objectionable such tenant might be to the property owner no evictions were permitted except for nonpayment of rent, and as long as such tenant paid the rent the property owner could not evict him.

SITUATION IN MAY, 1922

Up to May, 1922, no beneficial results whatever had been effected by the Rent Commission. For four years property had been withheld from lawful owners by the rental laws, and owners were forced to keep in their property undesirable tenants, yet rents continued to advance. Tenants generally became abusive both of the owner and his property. Some tenants injured property at will, and if the owner made any protest he would be told to "Go to; you can't put me out, for the law protects me." Practically every owner was more or less harassed, threatened, and abused, and was forced to

employ attorneys for protection. Many owners and real estate men became hard-boiled and sought to squeeze out of their tenants every dollar possible under the law. The Rent Commission was able to touch only one little edge of one side of the situation. Whenever it decided that certain rooms of certain specifications in a particular apartment house were worth so much per room, as a fair, reasonable rental, real estate speculators would immediately take advantage of it by raising the rent on like rooms in every similar apartment where the rental was not up to that standard set, and the Rent Commission, being bound by its own decisions, would be thus used as an instrumentality in raising rents instead of lowering them. And for every apartment that they would lower they would cause raises in a hundred others.

THEREFORE FOUGHT FURTHER EXTENSION IN MAY, 1922

This Rent Commission, which was purely an emergency of war and when first initiated was declared to be temporary, should have expired and gone out of existence on May 22, 1922. But "it is easier for a camel to go through the eye of a needle" than it is to jar loose even temporary employees from the pay roll of the Government.

So very naturally the new Ball Rent Act, extending its life two more years, to May 22, 1924, and increasing the commission to five commissioners, was passed by the Senate. It also provided that where the landlord collected more rent than was authorized by the commission the attorney furnished by the Government at \$5,000 should recover same by suit for such tenant. I realized then that the next step would be to make this commission a permanent institution of the Government, and I then did everything within my power to defeat it, but the House passed it. And since 1918 property rented here in the District of Columbia has been kept from its lawful owners by law. Many owners have desired to occupy their own property, only to be accused by the tenant and the commission of "not wanting same in good faith," followed by a decision denying them such right. Tenants have abused property at will. Tenants have insulted the owners of property and told them that they would remain in the property as long as they desired, and that they could not be put out, as the law would not permit it; and they could stay there under the law, because the law did not permit the owner to put them out.

At all times during the past three years there have been several hundred desirable residences vacant in Washington because the owners did not want to take chances on getting in their property an undesirable tenant, which they would not be able to put out by law. These owners would have been glad to rent such properties had it not been for such Rent Commission. The owners of several thousand vacant lots would have been glad to erect substantial houses on same for rent had it not been for such Rent Commission. Hundreds of new residences during the past five years have been built all over the city, and not one single one of them has been offered for rent, because the owner could not afford to take chances on getting on his hands for life an undesirable tenant, whom he could not put out by law. There have been numerous

unlawful combines and monopolies formed for the purpose of taking advantage of decisions of the Rent Commission, through fictitious sales of property, pyramiding second, third, fourth, and fifth trusts upon same, through dummy transactions, made solely for the purpose of increasing rents. Where the Rent Commission has lowered one rental, at least 100 rentals have been raised in consequence of some decision of the Rent Commission.

SENATOR BALL PROPOSED A PERMANENT RENT COMMISSION

There was introduced in the United States Senate on January 21, 1924, by Senator Ball his then new rent bill, S. 2110, to establish a permanent Rent Commission, with salaries raised, new officers, an unlimited number of assistant attorneys at \$3,000, and an unlimited number of stenographers at \$2,000. I quote from such bill the following:

SEC. 6. Each commissioner shall receive a salary of \$7,500 per annum. The commission shall appoint an attorney at a salary not to exceed \$5,000 per annum, and such assistant attorneys at salaries not to exceed \$3,000 per annum as the commission may deem proper and necessary to carry into effect the intent of this act. The commission shall also appoint a secretary who shall receive a salary of \$4,000 per annum, a field engineer at a salary not to exceed \$3,600 per annum, and may appoint such stenographic reporters, capable of taking testimony verbatim at all hearings of the commission, at salaries not to exceed \$2,000 per annum. All such appointees shall be removable at the pleasure of the commission. Subject to the United States civil service laws, the commission may appoint and remove such other officers, employees, and agents as may be necessary to the administration of this act. All salaries shall be paid semi-monthly.

And the bill provides that the Rent Commission shall determine not only the amount of rent that the tenant shall pay but also the kind of service that the owner shall furnish, and authorizes the owner to be fined \$1,000 and imprisoned for one year if he disobeys the commission. I quote from the bill the following:

SEC. 55. Any person who after the passage of this act (1) willfully fails to furnish the tenants of any rental property or apartment such service (a) as has ordinarily been furnished the tenant of such rental property or apartment prior to such failure, or (b) as is required either expressly or impliedly to be furnished by the lease or other contract for the use or occupancy of the rental property or apartment, or any extension thereof by operation of law, or (2) who with intent to avoid the provisions of this act enters into any agreement or arrangement for the payment of any bonus or other consideration in connection with any lease or other contract for the use or occupancy of any rental property or apartment, or who participates in any fictitious sale or other device or arrangement the purpose of which is to grant or obtain the use or occupancy of any rental property or apartment without subjecting such use or occupancy to the provisions of this act or to the jurisdiction of the commission, shall in either case be guilty of a misdemeanor, shall be prosecuted in the same manner as prescribed for other misdemeanors in the District of Columbia, and upon conviction be punished by a fine not exceeding \$1,000, or by imprisonment for not exceeding one year, or by both.

COMPANION LAMPERT BILL SIMILAR

Practically at the same time the gentleman from Wisconsin [Mr. Lampert] introduced the companion bill in the House, being H. R. 7962, which was almost identical with the Ball bill, except that instead of making the Rent Commission a permanent institution it

extended its life only to August 1, 1926, and the increases in salary were not so large as in the Senate bill. But the Lampert bill had the following additional punishment:

SEC. 54. Any owner, lessor, landlord, or rental agent of any rental property or apartment in the District of Columbia, who, having knowledge that the commission had previously fixed and determined the fair and reasonable rent or compensation to be charged therefor, collects or demands from the tenant rent or compensation for the use or occupancy of the said rental property or apartment in an amount in excess of the rate previously fixed and determined by the commission shall, upon conviction, be punished by a fine not exceeding \$1,000, or by imprisonment for not exceeding one year, or by both.

HOUSE COMMITTEE THEN HELD EXTENSIVE HEARINGS

In the early spring of 1924 the House subcommittee held hearings on the Lampert bill. I want to repeat concerning that so-called hearing what I said on April 7, 1924, in my minority report, to wit: That such hearing was the most unjust, unfair, one-sided arrangement I ever attended. I have had a wide experience as an attorney at law for over a quarter of a century, eight years of which I presided as judge over a circuit court. I have tried hundreds of cases in court-houses involving almost every kind of a legal question imaginable. But never before have I seen any proceedings that matched for unfairness the hearing on that bill. In my judgment never had there appeared before Congress prior to that time a better organized, more determined lobby than that constituted by the five \$5,000 a year Rent Commissioners, their attorney, and their friends, who made it miserable for any property owner who dared to testify before the committee. The few witnesses who did dare to testify in favor of the property owners' side and against extending the life of the commission were subjected to rigid and harsh cross-examination and even to insults, not only by the members of the committee favoring the bill, but by the Rent Commissioners themselves, and especially by Chairman Whaley, Commissioner Metzertott, and Commissioner Taylor, and by tenants in the audience. To illustrate how these commissioners would interrupt and butt into the testimony of a witness, I quote from such House hearings the following excerpt:

MR. WHALEY. I was the commissioner who said that I was not familiar with all of the tenant laws of the District of Columbia. I still say so, and I am not called on as a rent commissioner to know how to dispossess one of a house, or to know how to collect the rent for landlords.

We have, time and again, requests that we collect rent for landlords and I tell them that the law provides that they go to the municipal court and collect. They have also the charge made here inferentially that the landlords never get any increase that the commission makes. I want to say that is not true.

MR. MCKEEVER. Did I make that charge?

MR. WHALEY. Well, I am not making any personal reference, but if you want to you can wear the cap.

MR. BLANTON. I want to say that these real estate people are here with rights as much as anybody else and they have no right to be insulted by the chairman of the Rent Commission.

MR. METZEROTT. Do you think the Rent Commission ought to be insulted?

MR. BLANTON. I have not heard any improper personalities except the last one. There ought to be some order here before the committee. If we are going to have personal insults brought up that way, respectable people are not going to come before the congressional committee to testify. The Rent Commission has probably a little advantage of the witnesses here. I have a kindly feeling for our former colleague, Mr. Whaley, and he knows it; but I do not think he has the right to talk that way to a witness here. This man has his views. He has a right to state them, without being insulted by Chairman Whaley, and I submit that such matters should be kept out of the hearing.

WAS CHAIRMAN WHALEY PREJUDICED

Let me quote just one other excerpt from the House hearings to show that Chairman Whaley was called down as unfair:

Mr. BLANTON. With regard to interest on second-trust notes, you said that Mr. Wardman testified that on second-trust notes they were paying as high as 40 per cent.

Mr. WHALEY. That is his sworn testimony.

Mr. BLANTON. His sworn testimony?

Mr. WHALEY. Yes.

Mr. BLANTON. But the chairman can go to any bank in Washington and borrow money on his note for 6 per cent interest.

Mr. WHALEY. I have not done it, but I am glad to know that it can be done.

Mr. BLANTON. Well, I have done it. Sometimes I have had to borrow money.

Mr. WARDMAN. Mr. Whaley, I was not in the hearing room when you were speaking regarding these heavy rents.

Mr. WHALEY. But this is testimony given by you before the commission.

Mr. WARDMAN. That is not my testimony. My testimony is that I have never paid more than 10 per cent unless it was a long-time payment.

Mr. WHALEY. But you must remember that there are lots of properties that change hands time and time again.

Mr. WARDMAN. I want to say that that is not my testimony you referred to. That testimony must be stricken out, because I have never made an assertion of that kind.

Mr. WHALEY. It was taken down by a stenographer in the hearing room.

Mr. WARDMAN. I do not care; that is not my testimony.

Mr. WHALEY. My statement was made based on this testimony.

Mr. WARDMAN. It is not my testimony.

Mr. WHALEY. I heard you say it.

Mr. WARDMAN. It is not my testimony. You might go along and read further down.

Mr. BLANTON. When a man's signature is good at the bank he can go to the bank and get the money at 6 per cent, can he not?

Mr. WARDMAN. If he is good; yes. If he goes beyond his line, they stop him until he catches up again.

Mr. BLANTON. Where the man is good they will give him money at 6 per cent, will they not?

Mr. WARDMAN. Yes. They will give me a million dollars to-day.

And remember, previous to this colloquy Chairman Whaley had testified in the hearing before our committee that he had every confidence in Harry Wardman, who was one of the largest realtors in the city, and he had been before the commission time and again, and that they had found him absolutely honest and straightforward in his testimony.

KNOCKED OUT BY SUPREME COURT OF THE UNITED STATES

On April 21, 1924, the Supreme Court of the United States rendered a decision holding that they would take judicial knowledge of the fact that the emergency had passed and, while dicta, held that further extension of the life of the Rent Commission was unconstitutional.

CONGRESS IGNORED THE CONSTITUTION AND THE SUPREME COURT

Following such decision, the Committee on Rules granted a special rule for the consideration of the rental measure and allowed only one hour of debate against it, and on April 28, 1924, the House amended the Lampert bill so as to extend the life of said Rent Commission for one year more to May 22, 1925, and thus passed it.

RENT COMMISSION THEN ENJOINED FROM ACTING BY COURTS

Shortly thereafter numerous injunction suits were filed against said Rent Commission, based on said decision of the Supreme Court, and by decree the courts restrained said Rent Commission from functioning, all of which I predicted when trying to defeat said bill, and since May 22, 1924, without doing any work whatever or rendering anything in return therefor to the Government, these five rent commissioners have been drawing their \$5,000 per year salaries each, their attorney has been drawing his \$5,000 per year salary, their secretary has been drawing his \$3,000 per year salary, and their stenographers and other employees have had nothing to do.

PRESIDENT SENDS US WHALEY BILL TO PAY THEM FOREVER

As heretofore mentioned, when the President sent this new bill, which he had Chairman Whaley prepare, to our committee, a copy of it was introduced both in the House and in the Senate, and our two subcommittees of the House and Senate have been holding joint hearings on the bill, presided over by Senator Ball, author of the original Ball Rent Act. Let me quote from these joint hearings a few excerpts from Chairman Whaley's testimony:

MR. WHALEY. For the past six years landlords, as a general rule, have absolutely refused to make any repairs, to do any repairing, plastering, or papering. For the sake of squeezing the last dollar out of the property they have failed to furnish proper heat, and in many cases no heat at all. * * *

Representative BLANTON. Mr. Whaley, I believe you stated that for the past six years, as a general rule, landlords have not made improvements, they have not painted, they have not papered, they have not fixed up their plumbing, they have not put their buildings in good repair. I so understood you, as a general rule.

MR. WHALEY. That is my own statement. I have no correction to make in it.

Representative BLANTON. The Rent Commission has been in existence for the past six years?

MR. WHALEY. Since 1919.

Representative BLANTON. That is for the past six years. Do you not think your statement is the greatest indictment you could bring against the Rent Commission?

MR. WHALEY. I do not consider it so.

Representative BLANTON. That for six years while we have had a rent commission there has been no improvement by landlords, showing that there must be some reason for the landlords not improving.

MR. WHALEY. Mr. Blanton, I tried to explain to you and I have explained to the committee that there has been no power in the act allowing us to make them do anything.

Representative BLANTON. I understand that.

MR. WHALEY. The act is faulty in that direction. The object of the present bill is to give us power to make them do things.

Representative BLANTON. With regard to a survey, when you appeared before our House committee in February, 1924, was not the first question I asked whether or not you had made a survey of rental houses in the District?

MR. WHALEY. It was.

Representative BLANTON. And you stated that you had not done so?

MR. WHALEY. That is correct.

Representative BLANTON. Did not I suggest then to you that the first thing that ought to be done was to make such a survey?

MR. WHALEY. You did.

Representative BLANTON. Did you ever make it?

MR. WHALEY. We did not.

Representative BLANTON. Since May, 1924, your commission has had very little to do since the 40 injunctions were brought against you?

MR. WHALEY. You are right.

Representative BLANTON. Have you made a survey since that time?

Mr. WHALEY. We have not.

Representative BLANTON. Have you made a personal survey since then, yourself?

Mr. WHALEY. I have not.

Representative BLANTON. Why have you not done so?

Mr. WHALEY. I wanted you to ask me that question. Last year the commission went before Congress, before your committee and your subcommittee on which you sat, and recommended to you that this act should be made permanent—I did, at any rate. I told you why I thought it should be made permanent. I told you why we could not make the survey was because we had no money to do it.

Representative BLANTON. I made a survey and I have not had any money.

RENT COMMISSIONERS AND EMPLOYEES PREFERRED IDLENESS

Thus the chairman of this Rent Commission admitted that since May 22, 1924, the commission and its employees have all been idle with nothing to do, the five commissioners each drawing from the Government \$5,000 per year, their attorney drawing \$5,000 per year, and their secretary drawing \$3,000 per year, yet none of them have turned a hand to make a survey of the property that is now available for rent in the District of Columbia.

YET PRESIDENT COOLIDGE IS MAKING SUCH A SURVEY

After President Coolidge sent his permanent rent control bill to the committee for action the press has since reported that the President is having the police force of Washington make a survey of all vacant rental property now in the District offered for rent in Washington. This is just what I tried to get the committee to do in February, 1924, before they took the farcical action in extending the life of the commission another year when the Supreme Court had already knocked the life out of it.

JOINT COMMITTEE HEARINGS OUTHERODED HEROD FOR UNFAIRNESS

If any unbiased, unprejudiced person will wade through the 663 pages of printed hearings recently had before the joint committee of the Senate and House, he will not be able to escape the conclusion that it was unfair, unjust, and unequitable to the property owners of the District of Columbia. Hearing after hearing was given to the organized tenants, whose interest was in charge of Mrs. Henry C. Brown, secretary of the Tenants' League. Mrs. Brown was permitted by the chairman to put witnesses on the stand, conduct the direct examinations, interrupt other witnesses, insult witnesses who dared to appear in behalf of property owners, and to make every kind and character of repetitions of hearsay that should have been given no probative force and effect whatever.

The Washington Real Estate Board, which represented only a small proportion of the realtors of Washington, was permitted to offer evidence, but much of their time was wasted with irrelevant interruptions, and their witnesses were subjected to abruptness and many discourtesies.

Former United States Senator Thomas P. Gore, as representative for the Association of Builders, Owners, and Managers of Washington, was permitted to offer evidence in hearings. His witnesses were interrupted.

But at no time were the property owners of Washington ever given an opportunity to be heard. And they are unorganized, and they constitute 95 per cent of the people whose interests from a property standpoint are involved. In their behalf, when I, as a member of the joint Senate and House committee, and a Representative in Congress, sought to ask witnesses questions to bring out all of the pertinent facts, I was interrupted by the chairman continually, and by his rulings prevented from asking many pertinent questions. And when I sought to have a night set apart for them to be heard, I was prevented from offering their testimony. Let me illustrate this point from quoting just a few excerpts from the hearings.

The CHAIRMAN. We will proceed to close the hearings so far as those opposed to the bill are concerned. * * *

Mr. GORE. Mr. Chairman, Congressman Blanton the other day suggested that he desired property owners who were not organized to be heard. I want to ask the Congressman if he has some one of that sort present?

Representative BLANTON. Here is the situation: Knowing the attitude I have taken against this legislation, they have besieged me with letters wanting to be heard and wanting me to put their views into the record. I have no time to communicate with those people. That is not my business as a legislator. I think the committee ought to do that and ought to do the same by them as they have done by the others—indicate a certain time for them to be heard and let the daily papers notify them. My office is worked to death with my ordinary legislative work, without having to notify these people to be here. I can not notify them by letter or telephone. I am not that much interested in them. I am interested in them coming here and getting a fair, square deal, but what the committee ought to do, in my judgment, is to set a time for property owners who are not organized to be heard at a certain hour and let the newspapers publish it and notify them in that way.

These gentlemen who are here represent a certain band of realtors who are organized.

The CHAIRMAN. The property owners will have an hour and a half if we do not take up the time now in the discussion of something that has no real bearing on the question before the committee. If we take up the time now in that way of course, they will not have the hour and a half.

Representative BLANTON. Yes; but the property owners that had no notice. The unorganized property owners have not had any notice of the meeting this morning.

Representative HAMMER. We promised Senator Gore that he could have a part of the time this morning.

Representative BLANTON. I have no objection to that. I am interested in the unorganized property owners, who constitute 90 per cent of the people interested in the bill, who are more interested than the realtors are. They should be given at least two hours, and they should be notified. They should be given an opportunity to come here and offer such evidence as they want to present. It is their rights that are jeopardized. If the committee is not willing to do it, that is the end of it. I have done my duty in presenting their request. I hope the committee will be fair enough to them to give them at least two hours, to set a certain time in order that the newspapers can notify them, and if the newspapers will not notify them through their columns, I will take it upon myself to notify enough of them so they can be heard. In some instances the bill would effect property that some of them have inherited. Some of them are helpless women. They ought to be heard in this matter.

Senator JONES of Washington. I want to say that I sympathize very much with what Representative Blanton has said. I think we should give the people outside of these organizations an opportunity to be heard.

The CHAIRMAN. We have given them an hour and three-quarters to-day.

Senator JONES of Washington. But we have not notified the people outside of these organizations that they would be heard.

Representative BLANTON. No; that is just what I am complaining about.

Representative HAMMER. We gave so much time to both sides, and they have not really come and asked for it; but at the same time I would be mighty glad to give them a little while to be heard. I do not know whether they need that much time or not.

The CHAIRMAN. The question before the committee apparently is whether we shall reopen the hearings and continue them indefinitely.

Senator JONES of Washington. Oh, no; I beg your pardon; that is not the proposition at all.

The CHAIRMAN. We can not grant an indefinite extension to one side without granting a similar extension to the other side.

Senator JONES of Washington. We certainly have been very liberal with these people. We have given several hours to people from outside of the District, who, I think, are not interested in the proposition at all.

The CHAIRMAN. We have given more than eight hours now, and as I understand it you are asking for an extension of how many more hours?

Senator JONES of Washington. We can fix that among ourselves. I thought we ought to give a public meeting, just as we did to the people who were at the meeting the other night representing the tenants.

The CHAIRMAN. I am perfectly satisfied to do that, but that is for both sides of the question, as I understand it.

Representative BLANTON. I move that we give the same character of hearings to the unorganized property owners here in the District of Columbia, over in the Senate Office Building some evening in the caucus room, that we gave to the tenants—just such a meeting as that. We can set it ahead two or three days and they can all get their notice through the newspapers.

The CHAIRMAN. Do you mean such a meeting as we gave the landlords?

Representative BLANTON. No; such a meeting as we gave the tenants over in the Senate Office Building the other night. The unorganized property owners have never been heard. They have never been notified to appear.

The CHAIRMAN. I shall be glad to agree to your suggestion if you will provide in it that the other side shall have at least the same extension of time.

Representative BLANTON. I do not care how many meetings you have for the other side, but I do want you to give the unorganized property owners a chance.

The CHAIRMAN. If you are willing to come here every night and every morning, we will proceed to give them as many hearings as they want, but I am not willing to give my time and attention to the matter unless the other Members will be here and assist.

Representative BLANTON. I am as busy as any Senator, and yet I have attended every meeting of the committee.

The CHAIRMAN. But you are always late getting here.

Representative BLANTON. Yes; but I get into action as soon as I get here. [Laughter.]

Representative HAMMER. Too much so, sometimes.

The CHAIRMAN. You may proceed, Mr. Gore.

Senator JONES of Washington. Should we not decide this question before we proceed further? I think we ought to do it, so that ample notice may be given in the papers.

Representative BLANTON. I insist on my motion being put to the committee.

Senator JONES of Washington. I think two hours' additional time for the unorganized people opposed to the bill would be ample, and I am perfectly willing to attend a night session of the committee to hear them.

The CHAIRMAN. Then why did you suggest at first giving eight hours to each side?

Senator JONES of Washington. Because I thought it would be enough. I never thought about your giving Chicago people a couple of hours.

Representative BLANTON. Yes; and the New York people two more hours.

Senator JONES of Washington. I thought the matter was to be confined to people from the District of Columbia.

The CHAIRMAN. We want to get people's ideas as to the effect this legislation may have elsewhere as well as in the District of Columbia.

Senator JONES of Washington. That is all right, but it ought to come out of their time and ought not to deprive the unorganized property owners of a hearing.

Representative HAMMER. Why not fix to-morrow night for those people and give them an opportunity to "blow off" then?

Representative BLANTON. That is all right.

The CHAIRMAN. To-night we are to have a meeting of the committee for the renters or tenants, who are to have three hours, from 8 to 11. That will make up their eight hours. If you are going to extend for four or four and a half hours the time of those opposed to the bill, you should certainly give the renters some additional time.

Representative BLANTON. But here is the situation. The tenants have had eight hours when they finish their meeting to-night. The unorganized property

owners, as I said, representing 90 per cent of the people interested here upon the other side of the tenants' issue, have never had one single chance to be heard.

The CHAIRMAN. The organized tenants' association and the organized owners have controlled practically all of the time so far.

Representative BLANTON. We are going to be confronted with these questions on the floor of the House and Senate: Have we been fair to the unorganized property owners? You are going to have to meet that question on the floor, and you might just as well meet it here in committee. They are going to be heard some time or other.

The CHAIRMAN. Will the committee be satisfied with this suggestion, that the tenants have from 8 until 11 o'clock to-night and that the real estate people have from 8 until 11 o'clock to-morrow night?

Senator JONES of Washington. I am not in favor of giving the real estate people any more time.

Representative BLANTON. The unorganized property owners?

The CHAIRMAN. Those opposed to the bill.

Senator JONES of Washington. Outside of the organization.

Senator COPELAND. Why not have a sort of double meeting to-night? Let the outside landlords or unorganized property owners come in for a couple of hours and then finish with the tenants.

Representative BLANTON. But I am talking about the unorganized property owners. Without knowing them, I represent them as a Representative in Congress and not in private life. I do not know one of them. I am representing that side of the bill.

The CHAIRMAN. Is it exactly fair for a member of the committee that he is representing a particular faction?

Representative BLANTON. I am representing the Constitution, which says you can not take a private property without giving a fair return.

The CHAIRMAN. Is that applicable only to a certain class of people or is it applicable to all?

Representative BLANTON. That is not applicable to the realtors to enable them to make money for these property owners. It is applicable to the property owners themselves, and they are the owners I am contending for. If they are given three hours to-morrow night, I do not care how much time you give the others. You can give them a week if you want to do so, but I call your attention to this fact—we know they will have had eight hours.

The CHAIRMAN. Five of which have been taken by the organized owners.

Representative BLANTON. Who is responsible for that except the committee? The committee is responsible for it.

The CHAIRMAN. The committee is responsible for taking up much of their time.

Representative BLANTON. I do not think we ought to exclude Washington people and let New York organizations and Chicago organizations come here and take up their time and our time. This legislation is not going to affect Chicago and New York. It affects Washington property owners. I submit that in all fairness to my colleagues, who I am sure are fair-minded men.

I submit to the members of the committee that every member here, whether he is an ordinary Member of the House or whether he is a Senator, has a right to put a motion and has a right to have that motion stated to the committee. Of course, they can amend the motion as they see fit, but let them amend it according to the rules and in the proper way. I do not want the chairman to state my motion in a different form from the way in which I proposed it, unless he sees fit to amend it in the proper way. I have made my motion.

The CHAIRMAN. But your motion was not seconded.

Representative BLANTON. A motion does not have to be seconded in committee or on the floor of Congress. I have made my motion and I now renew it that to-morrow night from 8 to 11 o'clock shall be given over to a general meeting in the Senate caucus room, in the Senate Office Building, to the unorganized property owners of the District. That is my motion.

Senator JONES of Washington. The chairman of the committee included that in his proposition.

Representative HAMMER. I suggest that you accept the amendment offered by the chairman.

Representative BLANTON. But I have no authority to keep amendments from being added to my motion. That is my motion and I make it.

Representative LAMPERT. I move to amend by covering the chairman's idea.

The CHAIRMAN. The question is on agreeing to my amendment to the motion of Representative Blanton. [Putting the question.] The amendment is agreed to. The motion now is on the amended motion that from 8 to 11 o'clock to-morrow night be given the property owners of the District of Columbia opposed to the bill who belong to no organization, and on Wednesday night from 8 to 11 be given to the tenants of the District of Columbia who belong to no organization.

Representative HAMMER. I do not like the idea of excluding anybody else if we run out of business.

Senator JONES of Washington. We can quit if we run out of business.

Representative HAMMER. Oh, no; we ought to put in all of the time.

Representative LAMPERT. I do not think there is any danger of running out of talk.

(The motion as amended was agreed to.)

And thus, after insistence and perseverance, I finally succeeded in getting the chairman of the joint Senate and House committees to allow the property owners of Washington, who were more interested than anyone else in this bill, to be heard for a few hours. And it was understood that notice would be given by the committee secretary to the press about this meeting for such property owners.

BUT THEY WERE FLUKED OUT OF A HEARING AFTER ALL

On the next night, when the joint committees met in the Senate Office Building caucus room, I quote from the hearings as to what happened:

CONGRESS OF THE UNITED STATES, JOINT SUBCOMMITTEE OF THE COMMITTEES ON THE DISTRICT OF COLUMBIA, *Tuesday Evening, January 27, 1925.*

The joint subcommittee met, pursuant to adjournment, at 8 o'clock p. m.

Present: Senators Ball (chairman) and Jones, and Representatives Lampert, Stalker, Blanton, and Hammer.

The CHAIRMAN. The committee will come to order.

Representative BLANTON. Mr. Chairman, this afternoon while I was very busy in my work several parties rang me up and said that they noticed in the papers that the hearing for unorganized property owners had been put off until to-morrow night. I told them they must be mistaken, that it was for to-night, and they said no, that it was in the Post and Times that it was for to-morrow night and that the unorganized tenants would be heard to-night.

Well, I told them I did not know anything about it and that I presumed that the chairman had had some reason for changing it, but I thought that they must be mistaken about what the papers stated.

From the Washington Herald, Tuesday morning, January 27, 1925:

"To-night a three-hour session, from 8 o'clock to 11 o'clock, will be held in the caucus room for the benefit of the tenants who are not affiliated with the Tenants' League. To-morrow night a three-hour session, from 8 o'clock to 11 o'clock, will be held in the caucus room for the purpose of hearing unorganized landlords"

The CHAIRMAN (interposing). I would like to ask if the correspondent of the morning Post is here?

Mr. TAYLOR. I am on the Post. That was in the Times.

Mr. BLANTON. Now, here is the morning Post, the Washington Post for Tuesday, January 27, 1925, and I am reading from page 2, column 5, the following:

"Tenants"—

Note, now, that it says "tenants" instead of "property owners"—"who have no affiliations with the Tenants' League will be heard by the joint committee to-night. Another hearing will be held to-morrow night."

Then I got the Star this afternoon, for they kept calling my attention and the attention of my office to it, and in the Washington Star, from the first page to the last, there is not one word about any hearing to-night.

Then I got the green sheet of the Times, which is the last edition, and I read from this green sheet of the Times the following:

"To-night a three-hour session, from 8 to 11 o'clock, will be held in the caucus room for the benefit of the tenants who are not affiliated with the Tenants' League. To-morrow night a three-hour session, from 8 to 11 o'clock, in the caucus room in the Senate Office Building, will be held in the interest of the unorganized landlords desiring to voice individual opposition to the proposed Whaley rent bill."

The CHAIRMAN. I want to ask the assistant clerk of our committee if she authorized any such statement?

Miss PISER. I certainly did not. I have been answering our own phone continually to-day to contradict that announcement that was in the Post. I said that it was a typographical error, because no such information was given.

Representative BLANTON. I want to read from the only other paper in Washington, the News. Here is the News for Tuesday, January 27, 1925, and it says this:

"Tenants without organization or affiliation with the Tenants' League will be heard to-night."

Now, Mr. Chairman—

Senator JONES of Washington (interposing). If there are any landlords here let us hear them. They can come to-morrow night.

Representative BLANTON. What I wanted to say is that the property owners who are unorganized have been misled by all these papers. But there are several parties who found out in time that these were mistakes. I saw the Washington Post man this afternoon and asked him about it, and he told me it was a mistake, and I saw a Herald man and he told me it was a mistake in the paper, and there are two or three parties who have called me since then, and I have told them that that was an error and they are here. Now, I would like to ask the committee to hear them, and then proceed with the tenants and let them be heard, and then hear the rest of the property owners to-morrow night.

The CHAIRMAN. I thought I made the matter perfectly clear in my statement last night. I certainly did not say, when I made that statement, that we would hear the tenants to-night. I certainly tried to say that those opposed, the individual property owners who are opposed to the bill, would be heard to-night. How the newspapers got it wrong I do not know. It must be because we kept them up so late and they got sleepy.

Under the circumstances, I think the proper thing to do is to hear those on both sides who are here to-night.

Representative BLANTON. I want to proceed and offer some evidence along some lines I have in mind from a constitutional standpoint, and since I have not been previously permitted to do that I want to do it now.

Mr. Chairman, Mr. Richards, the assessor, was called on the first day of the hearing by Senator Jones to check up some figures that Mr. Whaley had presented, and was asked to bring that in. Mr. Richards told me he had sent that statement to the chairman. I would like to have that read into the record.

The CHAIRMAN. Shall I read it?

Representative BLANTON. We may just consider that in the record without its being read.

The CHAIRMAN. I would like to have you state whether you want this to be put in for the tenants or for those opposed?

Representative BLANTON. For everybody; for the American public.

The CHAIRMAN. It is an independent statement. It shows that the valuations placed—

Representative BLANTON (interposing). I would not want the chairman to state his construction of it, because it speaks for itself. I would rather have Mr. Richards speak for himself. This is from Mr. Richards, the tax assessor of the District, and he will put the proper construction on it.

And this statement from Tax Assessor Richards, which I will quote from the hearings, did not support any of the testimony given concerning such properties by Chairman Whaley, but on the contrary absolutely wiped out the force and effect of such data, yet the press reported just the contrary the next morning, and the presiding chairman attempted to place such a contrary interpretation upon it when I stopped him. Possibly this is the reason that he did not offer it until I asked for it myself. The following is such state-

ment and it shows that Chairman Whaley was in error as to these properties:

STATEMENT BY MR. RICHARDS, ASSESSOR

The Randolph, in square 3524, lots 35 to 40, was sold in April, 1920, by Thomas Bradley and Harry L. Rust, trustees, to Ethel M. Ruffy for \$22,500 and transferred the same month to Julia M. Higgins for \$14,500, subject to a trust of \$14,500, or \$29,000 in all. The property is assessed for \$26,244 and the commission's figures overtops all the above in an estimate of \$32,000. Did Mr. Bradley and Mr. Rust, who were expert appraisers of real estate, make a mistake in their sale? The chances are that they did not and that the commission's value is excessive.

No. 1490 Chapin Street is assessed for \$7,635, and the commission places a value of \$13,000 on the property. The house is next to the corner of Fifteenth and Chapin Streets and is less valuable than the corner. The corner sold to Mrs. Henderson in October, 1918, for \$7,300.

The Oliver, square 234, lot 145, is assessed for \$27,840. It sold for \$30,000 in 1920. According to a court record, it sold for \$18,000 in 1916 and in September, 1919, sold for \$20,000. It remained for the Rent Commission to put it on a pedestal for \$50,000. It rented for \$2,610 gross in 1915 and is a walk-up apartment of three stories and basement and was built for \$15,000.

The Prince Karl, square 85, lot 35, is placed on the new assessment roll at \$61,500. The Rent Commission values it at \$87,730. It has been built over a dozen years and sold in 1912 for \$40,000 and in 1920 for \$60,000. Seven times the gross rental in 1915 (\$6,500) indicated a value then of \$45,000. Allowing 2 per cent a year depreciation, has it doubled? Hardly!

The Fairmont, square 525, lot 29, 318 New York Avenue, was formerly the Melton, and was built by Thomas H. Melton over 20 years ago. In May, 1914, the owner appealed against the assessment, saying that the building was 12 or 14 years old and the taxes should be reduced. It was then assessed at two-thirds of \$55,000. According to court record, it was sold September, 1915, for \$33,800 and some kind of sale was reported in 1919 at \$55,000. The present assessment is \$65,170 and the commission fixes its value at \$100,000, or three times the court record of 1915.

The Chesterfield, square 2595, lot 806, is located on Mount Pleasant Street, above Irving Street, in a row of similar apartments. In 1914 the then owner of 3141 Mount Pleasant Street, the Chesterfield, made an appeal in which he stated that the property had been acquired in trade for \$50,000 and was worth between \$45,000 and \$50,000. The assessors now place \$68,925 on this property and the commission put it at \$104,600, or more than twice the owner's value of 10 years ago, although it is a lightly built structure subject to considerable depreciation.

But consider this in connection with the Chesterfield. The apartment houses Bloomfield, Winston, and Chesterfield, standing side by side, were built by Bates Warren at a cost of about 15 cents per cubic foot or less. They were worth about \$45,000 in the year 1914. Permit for construction of the Bloomfield in September, 1909, gave an estimate of \$35,000, which seems about right, as it was sold in trade for \$50,000 in April, 1914. In January, 1917, the Bloomfield brought \$55,000, and in November, 1920, Irvin B. Linton paid \$65,000 for it and changed the name to Lynton. Apartments Winston and Chesterfield are duplicates in every way, the assessors now placing \$68,874 on the Winston and \$68,925 on the Bloomfield. The Rent Commission have adopted the following values: The Chesterfield, \$104,600; the Winston, \$73,040, for buildings alike. Please examine them.

The Audoun is in square 215, lot G (1102 Fourteenth Street). The Hermitage is in the same square, 215, lot 11, 1117 Vermont Avenue. Both are valued the same in the assessor's new appraisal at \$100,000 each. The Audoun contains 125,100 cubic feet and is on the corner. The Hermitage contains 154,320 cubic feet and stands in the middle of the square with two fronts. The assessors believe there is little or no difference in the values of the two properties. The Rent Commission placed \$90,000 on the Audoun and \$150,000 on the Hermitage.

Comparisons between the assessment values of 1924, as just prepared by the assistant assessors, the values of the Rent Commission as published, the sale values of 1919 to the present time, and the year of sale

Name of apartment	Assessor's value of 1924	Rent Commission value	Sale	Year
Temple	\$17,778	\$23,000	\$17,500	1921
Geneva	35,774	41,475	37,500	1922
Newport	56,828	70,000	75,000	1921
Hawarden	96,100	90,000	175,000	1921
Gladstone	92,093	90,000		
Randolph	26,244	32,000	22,500	1920
Oliver	27,840	50,000	30,000	1920
Prince Karl	61,500	87,730	60,000	1920
Lonsdale	165,692	189,000	175,000	1920
Fairmont	65,160	100,000	77,000	1920
Park	29,508	35,000	30,000	1920
Seville	57,251	78,000	60,000	1921
Arden	62,355	90,500	67,500	1922
Hoffman	45,047	52,000	50,000	1922
Turin	52,680	70,000	62,500	1921
1708 Newton Street	57,250	70,000	75,000	1922
Total	949,100	1,168,205	973,500	

Commission's value	Gross rents 1915	Value in 1915 taken 7 times the gross rents	Commission's value	Gross rents 1915	Value in 1915 taken 7 times the gross rents
\$23,000	\$2,600	\$18,200	\$90,000	\$5,040	\$35,280
41,475	3,250	22,750	35,000	3,900	27,300
70,000	6,180	43,260	27,500	2,600	18,200
90,000	9,750	68,250	96,000	8,484	59,388
50,000	2,610	18,270	55,000	5,214	36,498
37,500	3,000	21,000	150,000	7,296	51,072
250,000	21,000	147,000	78,000	7,152	50,064
75,000	5,300	37,100	74,600	7,590	53,130
87,730	6,480	45,360	135,000	10,049	70,343
96,500	7,666	53,662	90,500	7,100	49,700
85,000	7,100	49,700	104,600	7,700	53,900
60,000	4,866	34,062	70,000	5,874	41,118
65,000	6,800	47,600	73,000	7,928	55,496
189,000	18,180	127,260	87,000	10,000	70,000
70,000	6,240	43,680	57,500	5,900	41,300
36,000	2,772	19,404	30,000	2,400	16,800
100,000	10,800	75,600	72,000	5,500	38,500
82,000	7,836	54,852	80,000	6,120	42,840
25,000	2,256	15,792			
60,000	6,360	44,520			
52,500	5,200	36,400			
			3,050,985	262,093	1,854,651

In 1915 prices were of a stable and easily determined character and apartments were selling uniformly at seven times the gross yearly rental. The above prices in 1915 indicates that the Rent Commission followed no uniform and scientific method in determining their prices as they run from 20 per cent to 200 per cent above pre-war values.

And then, for a few minutes only, I was permitted to offer some evidence. I quote from the hearings the following:

TESTIMONY OF MR. STACY M. REED

(The witness was sworn by the chairman.)

Mr. REED. Mr. Chairman and gentlemen, I have a statement which I would like to make, and if there is no objection I would like to complete it entirely and then be subject to questions.

Representative BLANTON. First, I want to ask these two questions. Are those [handing paper to witness] copies of various advertisements for the apartment which Mr. Colby rented from you?

Mr. REED. They are.

Representative BLANTON. State whether all of them are correctly put in, or whether there was any error.

Mr. REED. There is an error in the advertisement of December 26, December 27, December 28, December 29, December 30, and December 31, which shows a rental of \$70.

Representative BLANTON. Was that ever corrected?

Mr. REED. That was corrected in subsequent advertisements.

Representative BLANTON. On what days?

Mr. REED. On January 10, January 11, and January 12 that was corrected to \$42.50.

Representative BLANTON. Now, state whether this statement of rents of the various apartments in that building is true and correct.

Mr. REED. That is a correct statement of the existing rentals.

Representative BLANTON. That statement I will offer in evidence.

The statement in question is as follows:

The Susquehanna, 1430 W Street NW.

Apartment No.	Size	Rental	Apartment No.	Size	Rental
1.....	4 rooms and bath.....	\$35.00	30.....	5 rooms and bath.....	\$40.00
2.....	do.....	29.00	31.....	4 rooms and bath.....	35.00
3.....	do.....	35.00	32.....	do.....	37.50
4.....	5 rooms and bath.....	42.50	33.....	do.....	37.50
5.....	3 rooms and bath.....	25.00	34.....	do.....	35.00
6.....	4 rooms and bath.....	32.50	35.....	do.....	37.50
20.....	5 rooms and bath.....	45.00	40.....	5 rooms and bath.....	42.50
21.....	4 rooms and bath.....	35.00	41.....	4 rooms and bath.....	32.50
22.....	do.....	37.50	42.....	do.....	35.00
23.....	do.....	37.50	43.....	5 rooms and bath.....	42.50
24.....	do.....	35.00	44.....	3 rooms and bath.....	25.00
25.....	do.....	37.50	45.....	4 rooms and bath.....	35.00

The above is a list of the apartments in the Susquehanna, together with the monthly prices. Rents in this building have not been increased for the past two years.

STACY M. REED.

Representative BLANTON. And all those apartments are rented for those amounts now?

Mr. REED. Yes, sir; they are.

Representative BLANTON. If the committee has no objection, he can now read the statement.

The CHAIRMAN. I have no objection.

Mr. REED. The C. A. Snow Co. does not engage in brokerage business. The C. A. Snow Co. owns and manages 13 apartment houses and some miscellaneous properties, containing a total of approximately 526 dwelling units.

These buildings are located in all sections, except the southwest section of the city, and range in price from \$6.50 per month for a 4-room alley house to \$200 per month for 6-room 2-bath apartments in the northwest.

We have not raised the rent of a single tenant during the past two years, though on November 12, 1924, we secured an injunction against the Rent Commission.

It has been shown beyond a doubt by more experienced men than myself that the Whaley bill is unconstitutional and that rent legislation is unsound economically; but I would like to approach the matter from a different point of view and show why rent control is particularly odious to the owner.

We take pride in our buildings and their maintenance. We like to see them well kept and in good condition. We like to feel about them as one likes to feel about a new automobile or a suit of clothes. We enjoy the prestige that a satisfied and contented group of occupants can give our buildings. We have buildings in which the Rent Commission has never interfered, filled with occupants, all of whom have nothing but words of praise for our management. This would be possible in all of our buildings except for Rent Commission interference; but with rent control the condition is far different. Rent control has encouraged Washington to become a city of contract breakers. No law can be fair except when fairly applied, and Rent Commission inquisitions have served more to fan the flame of discontent and unrest than anything except the present hearings.

Much has been said of evictions during the past few weeks, and surely the most heart-rending examples have been brought here as exhibits, but in few cases has the other side of the question been exposed. Our company has sued for possession in seven cases. We have done so not only to protect the walls, the plumbing, and the fixtures of our buildings which have been subjected in the past to wanton depredation, but have sued for possession to protect other occupants of the building from undesirable and trouble-making neighbors. In each case we have rented the vacated apartment at the previous rental. We still maintain our right to select the people who occupy our buildings and shall do so until the last scrap of our constitutional right has been destroyed. In the language of Justice McKenna's famous dissenting opinion in *Hirsh v. Block* "a tenant out is a tenant in," and we assume that this committee is more interested in improving the general situation than in protecting a few undesirable individuals. We believe that in ridding our properties of these undesirables we will not only increase the prestige of our buildings but will benefit the general situation by increasing the peace and contentment of those who remain. The fact that we have rented in every case at the same rate, though under no legal obligation to do so, is proof that these suits for possession were entered into for no pecuniary gain.

In concluding I submit to the committee copies of advertisements relating to the apartment—those are the copies you referred to, Mr. Blanton—referred to in the testimony of Mr. Colby, together with the dates of their mention in the *Evening Star*. Mrs. Brown is correct in that this apartment was advertised at \$70.

The fact remains, however, that after six insertions of the corrected advertisement we were able to rent the apartment to Mr. Colby, as he has previously testified. Mrs. Brown, in her testimony, intimated that we had misstated the facts in advertising this apartment as consisting of five rooms, bath, and reception hall. However anxious we may have been to secure a tenant for this apartment, the fact remains that, including the kitchen, the apartment contains five rooms. This is a very usual way of advertising and not meant to deceive, it being presumed that an individual of ordinary intelligence seeing such an advertisement with no kitchen mentioned, will assume one of the rooms to be a kitchen.

This incident relates to one of some 20,000 apartments in Washington. It is in itself too trivial to have consumed your time. In that respect it is similar to almost all of the testimony so far submitted by the proponents of this bill. We have introduced it simply to illustrate to what extremes Mrs. Brown has been forced to go, even in incorrect testimony, to make her case.

The CHAIRMAN. I just want to ask one question. Did you price that apartment to the applicant at \$70?

Mr. REED. I did not; no. I do not think that any information of that kind was given out of our office, either. I would not have given it, but I am not in the front office.

The CHAIRMAN. I would like to have somebody submit to the committee a list of vacant apartments with their rentals. So many tenants have written to me and asked me to supply them with a list of vacant apartments of \$50 and under, that they were wanting such a place, and that they thought it should be brought out at this hearing.

Representative BLANTON. I want to proceed, Mr. Chairman.

And then a Mr. Low, who represented a realtor, insisted on testifying, when I was insisting on giving the few property owners who had not been misled by the incorrect newspaper notices a chance to be heard. But I was never permitted to place a single one of them on the stand. I quote from the hearings to show what occurred.

Representative BLANTON. I prefer to have Mr. Low stand aside.

The CHAIRMAN. I have a lot of questions I would like to ask of Mr. Low.

Representative BLANTON. I would like to have the property owners who are here to have an opportunity to be heard, even though they have not had a fair statement of the situation in the papers. There are a few here, but go ahead.

Mr. Low. I am not here to defend Mr. Baskin or any landlord, but I have followed these proceedings pretty closely; I have listened to the testimony and I have heard statements made by these tenants' league people which were so exaggerated in many cases, so absolutely untrue and, more especially, which were so calculated to keep the real facts from coming out, that I have felt—

Representative BLANTON (interposing). If you want to give some facts, get down to them.

The CHAIRMAN. I think we could bring out what we want by questions.

Representative BLANTON. I would not want the chairman to take up all the time that has been given. Some knowledge that I have has made me fundamentally against the rent law, and I want to show what is in my mind and what is making me take a stand against this bill. It is my knowledge of conditions here that does not agree with the chairman's knowledge of them.

The CHAIRMAN. I would like to ask if the Chair is not permitted to ask any questions?

Representative BLANTON. The Chair led these other witnesses; couldn't I lead a few of them? If this is the Chair's time, though the newspapers said it was the tenant's night, I will turn it over to him. I would rather go home with my family than waste my time. If the Chair is as unfair as that, I will go home.

(Mr. Blanton thereupon left the room.)

And thus not a single individual property owner in the District of Columbia was ever permitted to appear and be heard against a bill that will continue to withhold from owners their property, which the law has already withheld from them nearly seven years.

TENANTS' LEAGUE

Now let me mention the testimony that was offered by witnesses in behalf of this bill. I do not believe that it impressed a single member of the joint committee. Practically all of it that was first hand, and not hearsay, was introduced under the direction of the Tenants' League, in charge of its secretary, Mrs. Brown, and its president, Mr. Edward H. Schirmer. Concerning same, let me quote the following from the hearings:

Mr. McKEEVER. I now submit a contract between E. H. Schirmer and Frances M. Butts, together with a copy of the declaration in suit No. 111819 in the Municipal Court of the District of Columbia. I wish you to understand that I am not introducing this evidence for the purpose of bringing Mr. Schirmer's financial difficulties to the attention of the committee, but in order to disclose to the committee the purposes and objectives back of the forming of the Tenants' League, who are now so actively working before this committee in support of the Whaley bill. The contract to which I refer is as follows:

WASHINGTON, D. C., ———, ———.

This contract, made and entered into this 4th day of September, 1924, for and between Edward H. Schirmer, party of the first part, and Frances M. Butts, party of the second part, witnesseth that:

For and in consideration of \$150 cash in hand, paid by the party of the second part to the party of the first part, the party of the first part, Edward H. Schirmer, agrees and promises to meet the note given by him this day to the party of the second part for \$150 in 30 days if by that time the party of the second part is not fully satisfied to become a partner with him in a tenants' league of Washington, which he is now forming and for the expenses of which he wishes to use this money. If Frances M. Butts, party of the second part, is within 30 days fully satisfied to become a partner in said tenants' league, she is to pay to Edward H. Schirmer, at such time as shall be agreed between them, the balance of the sum of \$500, for which she is to have one-third interest in said tenants' league, with all the rights pertaining thereto.

Signed this 4th day of September, 1924, in the city of Washington, D. C.

E. H. SCHIRMER.

FRANCES M. BUTTS.

In the Municipal Court of the District of Columbia. Frances M. Butts, plaintiff,
v. Edward H. Schirmer, defendant. No. 111819

PLAINTIFF'S DECLARATION

"The plaintiff sues the defendant for:

"1. That heretofore, to wit, on the 4th day of September, 1924, the plaintiff and defendant entered into a contract, a photographic copy of which is hereto annexed and marked 'A' on the bill of particulars hereto annexed. That in

accordance with the said contract, the plaintiff loaned the defendant the sum of \$150 for 30 days from the said date; that there has been paid on account the sum of \$30, leaving a balance of \$120, which sum, with \$1.60 interest, is now due the plaintiff.

"2. That the defendant, Edward H. Schirmer, on the 5th day of November, 1924, by his promissory note, now overdue, promised to pay C. S. Butts or order at the Riggs National Bank, of Washington, D. C., \$120 one month after date, and the said C. S. Butts indorsed the same to the plaintiff; but the defendant did not pay the same.

"3. That heretofore, to wit, on the 4th day of September, 1924, the defendant represented that he was about to organize a certain organization to be known as the tenants' league; that the said tenants' league would be extremely profitable to its promoters and organizers, and would result in large revenues to the original promoters and organizers by dues and other collections; that a great number of persons in the city of Washington would become members of such organization, if properly promoted, and that the said organization or similar organizations would be extended to other cities throughout the United States, thereby further increasing the revenues and profits to be derived by its original promoters and organizers, and that the said defendant would, in consideration of the payment to him of \$500, assign, transfer, and set over to the plaintiff a one-third interest in the said organization and to the dues, proceeds, and revenues therefrom.

"That the plaintiff did advance the sum of \$150 on the said date to the defendant as a loan and did agree with the defendant that the plaintiff would have an option running for 30 days, during which to pay the additional sum of \$350 if the plaintiff would elect to become an owner and partner of one-third interest in the said tenants' league, and did further agree that in the event the plaintiff did not exercise such option of becoming a partner in the same organization, the defendant would return to her the sum of \$150 with interest within 30 days from the said date. That in accordance with the said arrangement, a contract was executed between the parties in writing, a copy of which is hereto annexed, marked 'A' on the bill of particulars hereto annexed, and that the defendant did execute his promissory note in the said amount as security for the advance of \$150. That the plaintiff has become cognizant of the true aims and purposes of the aforesaid organization, and has upon the maturity of the said note demanded payment thereof, which payment was refused, all this in accordance with her rights in and under the agreement herein set forth. That after much difficulty the plaintiff was enabled to obtain and secure two payments each in the sum of \$15 upon the entire debt hereof, together with a note for the balance in the sum of \$120, a copy of which note is hereto annexed and marked 'B' on the said bill of particulars, which note has since become due; that payment thereof was not made, and that she has been unable to obtain payment of said note; that she has made repeated demands for the payment of said note, but payment has been refused.

"That above three counts are for the same cause of action.

"And the plaintiff claims \$121.60, with interest thereon from the 5th day of December, 1924, besides costs."

Representative HAMMER. That note has been paid now?

Mr. McKEEVER. I understand it has been settled; yes, sir.

Mr. GORE. Have you a copy of the order entered in the case?

Mr. McKEEVER. I have sent for a photographic copy of it, but I have not received it yet. I was to get it here this morning.

This contract was entered into on September 4, 1924, and the Tenants' League was organized on September 17, 1924.

Representative BLANTON. Mr. McKeever, has this Mr. Schirmer had anything to do with these hearings?

Mr. McKEEVER. I have seen him around here, and I understood that the secretary of the Tenants' League and he together were directing the proponents' side.

Representative BLANTON. Was he the one who was with Mrs. Brown?

Mr. McKEEVER. Yes.

Representative BLANTON. I just wanted to show his connection.

Mr. McKEEVER. I was told it was he. I do not know him. I am told now that he has just this moment left the hearing room.

Representative BLANTON. Just gone out of this room?

Mr. McKEEVER. Yes. This contract was entered into on September 4, 1924, and the Tenants' League was organized on September 17, 1924, and it was, you notice, proposed in the contract that I have just read to organize the

Tenants' League. Gentlemen, it needs no further comment from me to convince you that the real purpose in forming the Tenants' League was not to help the tenants.

It will be remembered that on February 28, 1924, the Senate passed Senate Resolution 158, appropriating \$2,500 for its District Committee to make a survey of rental property. On April 7, 1924, there was distributed to each Member on the floor of the House a seven-paged printed pamphlet, signed by one whose name we know, dated April 3, 1924, addressed to the Senate Committee on the District of Columbia, purporting to be his report made for the Senate on said rental conditions. And it will be remembered that this party had just recently served a sentence in the Delaware penitentiary for embezzlement by bailee. Then it will be remembered that on said April 7, 1924, the Senate passed Senate Resolution 203, providing the Senate committee with an additional \$5,000 to make a further investigation, and this was conducted by Edward H. Schirmer, who is president of the Tenants' League, and who, when procuring the \$150 from Frances M. Butts, represented to her as an inducement to her joining him in organizing said league that—

the said Tenants' League would be extremely profitable to its promoters and organizers, and would result in large revenues to the original promoters and organizers by dues and other collections, that a great number of persons in the city of Washington would become members of such organization, if properly promoted, and that the said organization or similar organizations would be extended to other cities throughout the United States, thereby further increasing the revenues and profits to be derived by its original promoters and organizers, and that the said defendant would in consideration of the payment to him of \$500 assign, transfer, and set over to the plaintiff a one-third interest in the said organization and to the dues, proceeds, and revenues therefrom.

CHARACTER OF TESTIMONY AND MANNER OF CONDUCTING HEARING

The testimony of Mrs. J. A. Tschipke well illustrates the above. She had testified that her rent was raised; that she was evicted without cause; that she was sick in bed and unable to move; that in a heartless manner her things were thrown out into the cold, and she had put in the record newspaper reports of the transaction with pictures in the press of her and her things when being thrown out. The following is my cross-examination:

Representative BLANTON. You are not an employee of the Government?

Mrs. TSCHIPKE. No.

Representative BLANTON. And your husband is not?

Mrs. TSCHIPKE. No.

Representative BLANTON. Your husband is conducting a private business here for profit in Washington?

Mrs. TSCHIPKE. Yes.

Representative BLANTON. A novelty store?

Mrs. TSCHIPKE. Yes.

Representative BLANTON. How many men does he work?

Mrs. TSCHIPKE. Nobody.

Representative BLANTON. You mentioned awhile ago that you went to the man who was working for him.

Mrs. TSCHIPKE. We had a watchmaker working in the place and we gave him free space.

Representative BLANTON. That is the reason why I asked about. You to him?

Mrs. TSCHIPKE. Yes. He was not working for us. He was working for himself. He is a watchmaker.

Representative BLANTON. He does the watchmaking business and repairs for your husband's business?

Mrs. TSCHIPKE. Yes.

Senator COPELAND. Let us be clear about that. Does this man work for your husband?

Mrs. TSCHIPKE. No.

Representative BLANTON. I prefer to have the Senator let me ask my own questions.

Senator COPELAND. I prefer also to have the record correct.

Representative BLANTON. I want to be perfectly fair. I am fair to the Senator. If we are not going to conduct a fair hearing I do not care to participate in it.

Representative HAMMER. But you assume things that are not correct. That is the trouble, Mr. Blanton.

Representative BLANTON. The man who repairs watches in your husband's place of business, you spoke of awhile ago voluntarily as a man who was working for you.

Mrs. TSCHIPKE. No; he is not working for us. He is working with us.

Representative BLANTON. Then you made a mistake when you said that?

Mrs. TSCHIPKE. Yes; if I said that.

Representative BLANTON. Did you get any profit from the work he does in your place of business? Do you get a profit from his work?

Mrs. TSCHIPKE. Yes.

Representative BLANTON. From the repair work?

Mrs. TSCHIPKE. Yes.

Representative BLANTON. If I bring my watch there to be repaired I would turn it over to you and you would have this man repair it and you would get part of what I pay and he gets part?

Mrs. TSCHIPKE. That is it.

Representative BLANTON. You have lived in Washington how long?

Mrs. TSCHIPKE. Eight years.

Representative BLANTON. You have paid this owner, since September, how much rent?

Mrs. TSCHIPKE. I have not figured out the whole amount.

Representative BLANTON. Have you paid him any amount since last September? Have you actually paid him any rent since September?

Mrs. TSCHIPKE. I have paid him everything, and here is this month's rent which he has sent back.

Representative BLANTON. I mean how much money have you paid him since September that he has kept?

Mrs. TSCHIPKE. The same rent what the Rent Commission fixed, \$47.50.

Representative BLANTON. When was the last \$47.50 you paid him?

Mrs. TSCHIPKE. That was returned?

Representative BLANTON. No; he did not take that check which you show me.

Mrs. TSCHIPKE. That was November.

Representative BLANTON. So it was not a payment?

Mrs. TSCHIPKE. No.

* * * * *

TURNED OUT TO BE FRAME-UP

Representative BLANTON. I do not know who has charge or who is going to present the evidence, but before they begin I want to say to the committee that one of the deputy marshals is here concerning whose action with reference to an eviction there was some testimony the other day. I would like to have him heard at this time. I have not talked with him about his testimony, but I would like to hear his side of the eviction story.

Mr. BRANDENBURG. Mr. Callahan is here and ready to testify.

TESTIMONY OF STEPHEN B. CALLAHAN

(The witness was duly sworn by the chairman.)

Representative BLANTON. You are a deputy United States marshal?

Mr. CALLAHAN. I am chief deputy United States marshal.

Representative BLANTON. There was some evidence here either yesterday or the day before by a lady with reference to an eviction with which you had some connection. Will you just tell exactly what connection there was of your office or yourself officially with that matter?

Mr. CALLAHAN. On Saturday, the 3d day of January, gentlemen of the committee, a lady came into my office at the courthouse and opened an envelope and

slowed me a letter which she had received from one of my deputies, in which he stated she was to be put out on the 3d day of January. She wanted to know what time the eviction would take place. I told her that it was sort of a courtesy notice that we sent to tenants notifying them we would have to evict them and that we did not evict people on Saturday. "But I want to be evicted. I don't want this to go over."

Representative BLANTON. She said that?

Mr. CALLAHAN. This is the conversation I am giving you. She said, "I want this thing published." I said, "Madam, we do not want any publicity in these matters ourselves. We want no write-up. They generally jump on the marshal's office and his deputies. I am going to take the liberty of extending this time myself, but I will first talk to the agent." I got him on the phone and asked him to extend the time for three or four days, anyhow, until Thursday at least, on account of the weather conditions. "No; now wait a minute. Don't you go any further now. I want this stuff put out on the street because I have already arranged with the newspapers to take a picture and write this matter." I said, "You are not going to write my office up. I am going to hold you off on it." Then I had Mr. Tribby to let her stay until Thursday, all day Thursday, and if she didn't get out I would put her out on Friday. So Wednesday the lady came into my office again.

Representative BLANTON. The lady is in the room.

Mr. CALLAHAN. That [indicating] is the lady. On Wednesday she came back to my office again. She said, "I can't get out, Mr. Callahan, on Thursday. Can't you extend the time?" I said, "I can not do any more for you. I passed my word about it. You had better move or go some place else and get your stuff out. They insist on us putting you out."

On Thursday about noontime my deputy who has charge of the division from which this lady came was in my office discussing matters. He comes over every day and reports to me. While he was there a reporter from the Herald wanted to know when we were going to put Mrs. Tschipke out. I said, "I don't know. I guess she has moved." I said, "Call up the other office and find out if those people have moved out." That was on Friday. I was wrong about it being Thursday. It was at noontime on Friday. He called up, and Mr. Tribby said, "No," and that he wanted possession. I said, "You will have to give Mr. Tribby possession of his apartment." I said, "Send somebody up there; if you haven't got the regular man, get somebody else, but go up there and give possession, otherwise they will come back on the marshal." That is all I know of the case.

Representative BLANTON. This is a short agreed judgment between the parties in this case, and it is a very material matter that I want to go in the record, with the permission of the committee. This is an agreed judgment in the municipal court of the District of Columbia in the case of C. E. Tribby, plaintiff, against J. K. Tschipke, defendant. It is marked "Filed, municipal court, November 8, 1924," and reads as follows:

"Now come the parties hereto by their counsel and agree as follows:

"First, that judgment in the above-entitled cause for possession of the premises therein described be rendered forthwith in favor of plaintiff.

"Second, that stay of execution be had until December 31, 1924, provided the rental due for the months of October and November be paid forthwith and provided that the rental for the month of December be paid on or before November 25, 1924. In the event of a failure on the part of the defendant to keep and perform any or all of the above conditions execution shall issue forthwith."

This is signed by the attorney for the plaintiff and signed also by attorney for the defendant. The writ was not issued until after that day. You served the writ on either January 6 or January

Mr. CALLAHAN. It was issued on the 2d day of January and was executed, I believe, on the 9th.

Representative BLANTON. You served it finally?

Mr. CALLAHAN. Notice was served first.

Representative BLANTON. When did you put the goods out on the street?

Mr. CALLAHAN. The deputy marshal put her out on the 9th, Friday.

Representative BLANTON. And the judgment provided they were to go out on December 31?

Mr. CALLAHAN. That is a judgment by confession of the parties. They agreed to vacate by the 31st of December, "Costs as per stipulated herein." There is the docket entry right on the paper.

TESTIMONY OF G. C. TOUHEY

Mr. TOUHEY. On Friday, the 9th, I received orders from the chief deputy of the municipal court to execute a restitution at apartment No. 4, 1300 Massachusetts Avenue. I went up there and was met at the door by a couple of photographers and some newspaper men. I told them I did not have anything to say, that they could talk to the lady. I rang the bell and waited about two minutes, and then Mrs. Tschipke came to the door. She looked as though she had just gotten up or had slept late that morning. She, of course, was a little bit nervous. I read the writ of restitution to her and told her I would have to execute it. I had four men there to carry out the actual work. She said something about not feeling well. I told her I was very sorry, but she had expected us to come up to execute the writ, as notice had been mailed to her and the landlord had spoken to her and all that sort of thing, and that I would have to go ahead.

A good many things in the apartment were all packed up. Evidently she expected the marshal up during the last day or so to put things out, because nearly all of the small articles were all packed up and ready to go. She stated that she would have to call an ambulance to go to the hospital. Of course, I did not know anything about that side of it. She went back in her bedroom, and I started the men moving out some of the furniture in the front part of the apartment, and she immediately came out there and started to tell them what not to take out right away and what to take out and took some pretty good-sized bundles out of their hands. If she was ill I do not imagine she should have lifted as much as she did or rushed around the way she did.

I went on, as our instructions are to execute the writ in a quiet way and with the least amount of embarrassment I could to the lady. Her husband arrived shortly before the furniture was all out, and I had them both look over the apartment to see that everything was out, and he gave me his key and she gave me hers, and the reporters were there getting a story from them, and I immediately left.

Mr. BRANDENBURG. What papers were represented there, do you recall, or how many?

Mr. TOUHEY. I know that the News and, I think, the Times.

Mr. BRANDENBURG. The photographers were also there?

Mr. TOUHEY. The two photographers; yes.

Mr. BRANDENBURG. Did you notify those papers that you were about to serve this writ of restitution?

Mr. TOUHEY. No, sir.

Mr. BRANDENBURG. Had any notice, directly or indirectly, been conveyed by you to the newspapers that you were about to serve the writ of restitution? Did you give any notice in any way?

Mr. TOUHEY. No, sir.

Mr. BRANDENBURG. You do not know who did notify the papers?

Mr. TOUHEY. No; I do not.

And later on it developed that Mrs. Brown, of the Tenants' League, was the prime mover in this newspaper photographic notoriety.

IS CHAIRMAN WHALEY AN UNPREJUDICED RENT COMMISSIONER?

Within a few minutes after the joint hearings opened Chairman Whaley testified to the following:

For the past six years landlords as a general rule have absolutely refused to make any repairs, to do any repairing, plastering, or papering. For the sake of squeezing the last dollar out of the property they have failed to furnish proper heat and in many cases no heat at all. * * *

Another instance of it is like this: There may be a leak in the bathroom. That leak continues until after awhile the ceiling begins to fall. It is neglected for one or two or three months. I know of one instance where it was neglected for four months and the ceiling began to fall. The landlord paid no attention to it at all, and the tenant's property was being damaged in the bathroom.

Senator JONES of Washington. Had notice been given to the landlord?

Mr. WHALEY. Yes, sir; repeatedly given to the landlord, and nothing was done. Senator JONES of Washington. I would like your list to include the landlords covered by those various incidents.

Mr. WHALEY. That last instance I gave about the bathroom is my own case in my own apartment.

Senator JONES of Washington. I do not know where that is, nor do I know the name of the landlord.

Mr. WHALEY. I am just giving that as an illustration.

Senator JONES of Washington. Give the name of the landlord.

Mr. WHALEY. H. L. Rust & Co. I have been there eight years in the apartment.

Representative BLANTON. I take for granted the President will retain the present board. With regard to the present chairman I offer this, not reflectively, but just as a question of fact. The chairman of the commission has testified that he has suffered for four months with his own landlord, H. L. Rust & Co., who left a leaking roof going on until the plaster was dropping down. Feeling a grievance against a landlord like that—

Mr. WHALEY. I do not feel any grievance. I have been on both sides of the fence.

Representative BLANTON. Would a person be able to sit impartially with that feeling?

Mr. WHALEY. Yes.

Representative BLANTON. In a case against H. L. Rust & Co?

Mr. WHALEY. H. L. Rust & Co. are among the best friends I have in town. I like both of them, H. L. Rust and his son. I think the world of all of them.

Representative BLANTON. H. L. Rust, of which Mr. John Bowie is a member—

Mr. WHALEY. Yes; and I know him well too.

Representative BLANTON. They are two of the highest-class citizens in Washington, are they not?

Mr. WHALEY. Yes.

Representative BLANTON. High classed in every respect?

Mr. WHALEY. I think so.

Representative BLANTON. And the most honorable real-estate men you find anywhere?

Mr. WHALEY. I think so. I do not think you will find better men in Washington than H. L. Rust and sons.

TESTIMONY OF JOHN F. M. BOWIE

(The witness was duly sworn by the chairman.)

Mr. BOWIE. I understand from reports that the chairman of the Rent Commission in his testimony before the committee made a statement that the property owners were not furnishing service nor were they making repairs, very much to the discomfort of the tenants, and when asked for specific instances he cited his own landlord as one who had failed to keep his obligations.

I represent the landlord of the chairman of the Rent Commission and I think he did his landlord an injustice in that he did not state the whole case. I would like to get into your record the whole facts in connection with it.

Mr. Whaley rented this apartment in the Iroquois Apartment, 1410 M Street, in August, 1916. He paid for a four-room and bath apartment, with elevator service, \$40 a month. He is still occupying that apartment and paying \$60 a month. I have gone over our books, and for the period of 18 months beginning July 18, 1923, and ending February 1, 1924, the following improvements were made upon his apartment and the following amounts paid for those improvements:

July 18, 1923, repairing waste pipe in the kitchen, \$21.50.

September 26, 1923, new medicine cabinet and other carpenter work, \$22.

October 10, 1923, new window shades, \$8.95.

November 21, 1923, new electric fixtures, \$45.27.

November 19, 1923, painting and papering throughout, \$150.

December 17, 1923, new flush tank, \$30.

February 9, 1924, glass shelf in bathroom, \$2.

February 1, 1924, repairing shelves, \$3.50.

This made a total of \$283.22 spent upon Mr. Whaley's apartment in a period of approximately 18 months, showing that he was given approximately 5 months' rent or that 5 months' rent was expended in his apartment out of those 18 months.

He made some reference to a leak which I understood he said came from the roof and that he called it to our attention and it was not promptly attended to. It was his custom as a rule to call my attention to things that he wanted when I appeared before the Rent Commission. It is possible that he may have spoken to me about that leak and I overlooked it. However, when he called our office and reported it, it was attended to right away. It has been fixed. Mr. Whaley knew that that leak was not intentionally neglected.

That is all I wish to say.

The officers of the Washington Real Estate Board, representing only about one-fourth of the realtors of the city, testified to the following vacant properties now offered for rent in Washington:

Survey of vacant properties based on reports of 85 rental offices affiliated with the Washington Real Estate Board

SUMMARY

Unfurnished heated apartments.....	969
Unfurnished apartments not heated.....	69
Unfurnished houses.....	524
Total unfurnished properties.....	1,562

Furnished apartments.....	54
Furnished houses.....	108
Total furnished properties.....	162

Rentals of the above-mentioned unfurnished apartments range as follows:

Up to \$35 per month.....	64
From \$36 to \$50 per month.....	246
From \$51 to \$75 per month.....	486
From \$76 to \$100 per month.....	160
From \$101 to \$125 per month.....	62
From \$126 to \$150 per month.....	6
Over \$150 per month.....	14

A total of 310 listed at \$50 or less and 486 listed at from \$51 to \$75, or a total of 796 listed for \$75 or less and 242 listed at over \$75.

Rentals of the above unfurnished houses range as follows:

Up to \$35 per month.....	38
From \$36 to \$50 per month.....	64
From \$51 to \$75 per month.....	145
From \$76 to \$100 per month.....	135
From \$100 to \$125 per month.....	56
From \$126 to \$150 per month.....	36
Over \$150 per month.....	66

A total of 248 houses at \$75 or less and 293 at over \$75.

The sizes of the unfurnished apartments listed range as follows:

1 room and bath.....	30
2 rooms and bath.....	155
3 rooms and bath.....	433
4 rooms and bath.....	230
5 rooms and bath.....	131
6 rooms and bath.....	44
Over 6 rooms and bath.....	55

The sizes of the unfurnished houses listed range as follows:

4 rooms and bath.....	19
5 rooms and bath.....	27
6 rooms and bath.....	164
7 rooms and bath.....	64
8 rooms and bath.....	71
9 rooms and bath.....	68
10 rooms and bath.....	43
Over 10 rooms.....	68

The apartments and houses reported are located in the four sections of the city as follows:

Northwest.....	1, 501
Northeast.....	99
Southwest.....	35
Southeast.....	89

In addition to the above, the following apartments under construction were also reported:

Available Feb. 15.....	115
Available Mar 1.....	384
Available Apr. 1.....	134
Available May 1.....	119
Date of completion not given.....	16

Showing a total of 768 additional apartments coming on the market approximately within 90 days.

And each specific piece was then fully described in detail, giving the number of rooms, baths, and garage, and the price and location.

Illustrating some of the interruptions of witnesses, I quote from the hearings the following:

Mr. McKEEVER. In the case of *Knoxville v. Water Company* (212 U. S. 1) it was said:

"Our social system rests largely upon the sanctity of private property, and that State or community which seeks to invade it will soon discover the error in the disaster which follows. The slight gain to the consumer which he would obtain from a reduction in the rates charged * * * is as nothing compared with his share in the ruin which would be brought about by denying to private property its just reward, thus unsettling values and destroying confidence."

In *Kennedy Bros. v. Sinclair*, decided by the Court of Appeals of the District of Columbia, and reported in Two hundred and eighty-seventh Federal Reporter, pages 972, 977, it was said—

Representative HAMMER. When was that? The Federal Reporter has not been issued for two years. It was eliminated. It must be an old case.

Mr. McKEEVER. This is the case of *Kennedy Bros. v. Sinclair*. Sinclair was a rent commissioner.

Representative HAMMER. That was several years ago.

Mr. McKEEVER. The fact that it was makes it all the more important. It was, I think, a little while back.

Representative HAMMER. Are you not aware that you can find authority for anything in the Federal Reporter?

Mr. McKEEVER. I think this case in the Court of Appeals of the District of Columbia may have a particular bearing on it in view of the fact that that is the court to which your act is going to go.

Representative HAMMER. Yes; that is true.

Representative BLANTON. Right there, let me suggest that the court must have converted former Rent Commissioner Sinclair, because now he says this law is uneconomic and ought not to be passed.

Mr. McKEEVER. I think they must have.

Representative BLANTON. I got a strong letter from him the other day urging that view of the matter.

Mr. McKEEVER. I know he is very much opposed to the necessity for any bill of this kind.

Representative HAMMER. They were just as much against him as they are against Whaley now, and more so, I guess, when he was in.

Mr. McKEEVER. That is right.

Representative BLANTON. That indicates that when they are in they want to stay in, and when they are out they do not believe in the law. [Laughter.]

Mr. McKEEVER. That, Mr. Blanton, is the reason why we say that if you let this law die for one year, and there are no rent commissioners to urge the passage of it or lobby for it, there will be no further extensions of the law and no necessity or request for the law.

Representative HAMMER. I thought you said last night that you wanted to change the date six months.

Mr. McKEEVER. No; we want you to kill it now.

May I finish this case?

The CHAIRMAN. Go ahead.

Mr. McKEEVER. In this case of *Kennedy Bros. v. Sinclair* (287 Fed. Rep. 972, 977) the court said:

"Price fixing and rate regulation of purely private enterprises necessarily interfere with the law of supply and demand, and even when most carefully, prudently, and justly done generally result in economic complications and social disorders worse than the evil sought to be remedied. That result must always follow if the arbitrament of prices or rates breeds distrust, discourages capital, or diverts it to less beneficial although safer investments."

That is exactly what is being done here.

I quote further from the hearings the following position of a woman's organization in Washington:

2506 CLIFFBOURNE PLACE,
Washington, D. C., January 10, 1925.

HON. T. L. BLANTON,
House of Representatives, Washington, D. C.

DEAR SIR: Will you permit me please to bring to your attention how the rent bill before Congress assails the most cherished interests of women?

This bill would establish a commission to control rents and fix the value of all housing property in the District of Columbia. It is based on the assumption made by its backers that Federal employees are a permanent tenant class and stands on the argument that to diminish alleged ills of this assumed unfortunate class, to destroy constitutional rights of owners of housing property is justified. Such legislation with the rest would destroy the economic basis of home making.

The rent bill before Congress is not a mere matter of business affecting only real-estate dealers on the one hand and tenants on the other. It involves all property held as homes in the District of Columbia.

In no particular is the proposed rent bill so faulty in its construction of economic relations as when it arbitrarily distinguishes between property used for business and property used for housing, and applies its terms to the latter with no regard to value operating in the conduct of family affairs. Not only property rented for housing but property occupied as home is as much a matter of business as property occupied for stores and factories. It figures in household economy and cost of living and thus affects the purchasing power of salary and of price.

That the proposed rent law now before Congress destroying constitutional rights of property owners would likewise destroy the economic basis of home making is not a subject for sentimental consideration. It is an important consideration of business, and the rent bill, making no account of this, does injury alike to business interests and to home makers who are logically inseparable allies to oppose the bill.

Justice Field in the *Munn* case has said, "There is indeed no protection of any kind under constitutional provision which does not extend to the use and income of the property as well as to its title and possession." Commenting on the foregoing, Prof. John R. Commons, in "Legal Foundations of Capitalism," says, "The title of ownership or the possession of physical property is empty as a business asset if the owner is deprived of his liberty to fix a price on the value of the product of that property." The sale of the product of home ownership is rent. Depriving householders of liberty in this regard, backers of the proposed legislation evoke the police power of Congress. As to that, Justice Blatch, *Minnesota Rate case*, for the majority wrote, "The power to regulate [police power] is not the power to destroy, and limitation is not the equivalent of confiscation."

The proposed rent bill for all business purposes confiscates the property acquired in a home of one's own. The profits of the wageless work of wives and the economies of homemakers normally find an ideal investment in home ownership. In the past Federal employees no less than others of moderate income have been able to raise families in the enjoyment of means economically adjusted to acquiring homes of their own. But investment in home ownership to be sound must be negotiable on terms of equality with other investments or persons of small means, least of all women, dare not touch it. The home maker whose life energy has gone into the ownership of a home, for the protection of herself and family in need, on occasion of illness or death of the husband, must be able freely to contract as to the disposition of her home property which must be valued like other economic goods according to market conditions or home ownership becomes

a liability that only the wealthy may safely assume. The rent bill now before Congress proposes to create a commission empowered arbitrarily to fix the value of the widow's home property and to fix the income she may derive from it regardless of her necessities. Moreover, the aged widow dependent on the rent of her home to live, by the terms of the proposed rent law virtually loses possession of her property, for the tenant is empowered to occupy rental property as long as he likes, also to make all the trouble he likes, the proposed rent law being ingeniously devised to stimulate endless demands on the part of tenants which the owner must meet or suffer endless expense going into the courts for protection.

The proposed rent law aiming to fix Federal employees in the economically degraded category of a permanent tenant class would legislate a large increase of that class by making individual home ownership an investment that no person of moderate means reasonably could undertake. Eliminate the reasonable aim of home ownership and the main screw of American household economy is gone. The proposed rent law tends also to frighten persons of small means from investing their economies in small income-producing rental property which in the past has been a favorite investment of honest men and women in Washington. This class of property owners has even now greatly diminished under the operation of the existing rent law to the increased hardship of tenants. The very ills of tenants which the rent law before Congress is advertised to remedy largely result from the existing rent law which has so hampered individual ownership of housing property as to clear the real estate investment field of individual small owners for the wider operation of powerful corporate interests that promote extensive building operations not for housing purposes but to the end of the profits to be realized in the pyramiding of loans. This matter was reported to the last session of Congress and no remedial action has since been taken. The anomaly of many vacant apartments existing at the same time that tenants desperately seek shelter for their heads is explained in that wealthy corporations speculating in the Washington housing field find it to their profit to figure loss on these intentionally vacant apartments in making their income-tax returns. Some one has said, "The greatest discovery in modern times is that debts may be bought and sold." But that was before income-tax laws revealed the profit to be derived from losses.

The ills which tenants in Washington suffer under present conditions admit of no uncertain remedy. Congress in the past found means to rescue families and homes from the avarice of chattel-mortgage sharks. Honest intention in regard to the existing housing situation would stir Congress to deal directly with the real estate loan shark. For the relief of the particular housing difficulties of Federal employees the obvious remedy is for Congress to vote increase of salaries adjusted to prevailing cost of living. Not only have prices of the necessities of life vastly increased the past 10 years, but increased employment of married women in wage earning compelled by inadequate salaries such as many Federal employees receive (an average of \$1,500 per year) unquestionably increases cost of living in consequence of a disordered household economy resulting in such case. President Coolidge is reported in the press as backing the proposed rent bill "for the protection of Government employees against the need of increased salaries." What is meant no doubt is that the President views with alarm the reaction upon taxpayers of any proposed increased cost of Government. But what of the cost of the projected rent law? Taxpayers should know that it provides nearly \$50,000 annually in specified salaries with additional salaries unspecified, and besides carries an omnibus provision that the Comptroller General of the United States shall pay any and all vouchers for expenditures for the Rent Commission on the approval of the chairman of the commission, whose signature "shall be a sufficient warrant and authority." However, the cost, perhaps, most to be dreaded by the taxpayer in his rôle of maintaining American institutions and liberties is the intangible cost resulting from the death blow that the rent bill before Congress would deliver against the American ideal of home ownership, for home ownership is the economic guarantee of the home maker's activities and the sustaining principle of American family life, in which connection also must be taken into account the reduced purchasing power of salary that the proposed rent law would effect by the confusion of household economy to result from destroying the economic basis of homemaking.

There are over 35,000,000 women in the country by profession home makers. These women want a law which will put the real estate loan shark out of business in the National Capital, they want the ownership of homes removed from the incubus of a rent law that is destructive of constitutional rights, they want Federal employees redeemed from the enforced inferiority of a permanent tenant

class and assured the reasonable hope of achieving the American ideal of home ownership.

The majority leader of the House, Representative Longworth, after conferring with the President is reported to have pledged a vote on the rent law in Congress. That vote will be carefully studied with regard to the economic interests of home makers, and Congressmen looking ahead two years to their own interests may wisely now reflect that after all the vote of 35,000,000 women counts.

Very truly yours,

FLORA McDONALD THOMPSON,
Chairman Fact Finding Committee on Women's Economic Relations.

VOLUNTARY REDUCEMENTS IN RENTS WITHOUT COMMISSION

For months we have had no commission functioning in Washington because restrained by the courts. Yet during this time, pages 556 to 590, inclusive, of the hearings embrace solid printed lists after lists, duly sworn to, of many, many properties rented in the District upon which the owners have voluntarily reduced the rents.

I am glad to say that even the committee could not agree with the President, and they have just reported a simple resolution here extending the life of the Rent Commission over for another year. Of course, that meets the main bone of contention, because the main bone of contention for these five commissioners and their employees is to still draw their salaries, and when you extend the life of the commission and its employees for another year they will still be on the pay roll, so that their trouble is ended, and they have not said one word against the action of the committee. That is Title I of the bill that comes in here next Monday.

I will tell you what is now the matter with the President on this bill; so many gentlemen who occupy positions on this Rent Commission had been deviling the life out of the President, and for the last eight months they have been afraid they will lose their positions and salaries, and they made his life miserable through the press. They are claiming that the poor tenants are imposed upon; they are claiming that they are about to be evicted. They have overimposed upon him. You can not get a statement over his signature that the President wants this bill passed; not one. I want to say to you gentlemen that I am not a tearer down but a builder up. I proposed the only constructive features of this bill, which has been reported to-day by the committee. Read Titles II and III. They ought to be passed. I am going to ask you gentlemen to strike out Title I, that has been held unconstitutional. Let this Rent Commission die, and then pass Titles II and III of the reported bill, for they are good. That will meet the situation. I wrote both of those titles, every word.

Let me quote Title II of the bill, and it is good and should pass:

TITLE II.—TO PREVENT FRAUDULENT TRANSACTIONS RESPECTING REAL ESTATE

SEC. 4. The real consideration shall be stated in every deed, deed of trust, or other conveyance of real property situated within the District of Columbia, and it shall be unlawful for any grantor, whether an individual, copartnership, association, or corporation, to execute any deed, deed of trust, or other conveyance of real property situated within the District of Columbia, that does not state the real and true consideration. And it shall likewise be unlawful for any lessor, whether an individual, copartnership, association, or corporation, to execute any lease or rental contract concerning any building or part thereof or

land appurtenant thereto in the District of Columbia, unless the real and true consideration therefor is stated in such contract.

SEC. 5. It shall be unlawful for any person, copartnership, association, or corporation, to enter into or become a party to any contract, agreement, or understanding, or in any manner whatsoever to confederate, combine, or act with another, or others, for the purpose and with the design of lessening or preventing, or tending to lessen or prevent, full and free competition in the renting of real estate, or any building or part thereof or land appurtenant thereto, in the District of Columbia, or to fix rents within the District of Columbia.

SEC. 6. When placing trust liens upon real property in the District of Columbia, such trusts shall be numbered consecutively in the instrument creating same, as the first trust, the second trust, or the third trust, etc.; and each of such trust instruments shall recite the full amount of indebtedness against the property that is secured by prior trust instruments; and all notes and bonds covering deferred payments on real estate in the District of Columbia shall be numbered consecutively, and shall recite the number and amount, respectively, of all such notes or bonds given as deferred payments in that transaction, and the number and amount, respectively, of all notes or bonds, if any, outstanding and unpaid, that were given as deferred payments in prior transactions; and each trust shall retain its so specified priority of lien until the indebtedness which it secures is fully paid. And when any trust indebtedness matures, and the owner of such indebtedness refuses to renew same, any other lender of money, by paying to the owner of such trust indebtedness the amount due, may at the instance of the owner of the property, renew such trust indebtedness for any new term agreed upon by the owner of the property, and be inured to the same priority of lien and all other rights held by the holder of such matured trust indebtedness, as fixed by the priority specified in his deed of trust. And as each trust indebtedness is fully paid and satisfied by the owner of the property, the trust indebtedness next below it in priority will then inure to the priority of the trust indebtedness so paid off and satisfied. And it shall be unlawful for any person, copartnership, association, or corporation (a) to execute any deed of trust that fails to specify therein its true priority, or (b) to enter into or become a party to any agreement or understanding, or in any manner whatsoever to confederate, combine, or act with another, or others, for the purpose and with the design of influencing or hindering some other lender of money from taking up and extending maturing trust indebtedness, or (c) to execute, or to cause another to execute any note or bond that fails to state the number and amount of all notes and bonds given in that transaction, and the number and amount, respectively, of all notes or bonds, if any, that are outstanding and unpaid, which constitute deferred payments against the property involved.

SEC. 7. It shall be unlawful for any person, copartnership, association, or corporation to enter into or become a party to any contract, agreement, or understanding, or in any manner whatsoever to confederate, combine, or act with another or others in (a) executing a deed conveying real property in the District of Columbia that is not a bona fide sale, but is a simulated sale of such property, executed for the purpose and with the intent of increasing the value of such property, and designed to mislead and defraud others; or (b) executing a deed of trust upon real property situated in the District of Columbia that does not represent a bona fide indebtedness, but is a simulated transaction, executed for the purpose and with the intent of fraudulently selling to others securities that are not bona fide, in that the said trust has been pyramided upon others when the real value of the property known to such conspirators did not warrant same.

SEC. 8. Any person or corporation violating any provision of sections 4 or 5 or 6 or 7 of this act shall, upon conviction thereof, if a person, be punished by a fine of not more than \$1,000 or by imprisonment for a term of not to exceed one year, or by both such fine and imprisonment, in the discretion of the court; and if a corporation, be punished by a fine of not more than \$10,000. Any officer or agent of a corporation, or member or agent of a copartnership or association, who shall personally participate in or be accessory to any violation of this act by such copartnership, association, or corporation, shall be subject to the penalties herein prescribed for individuals.

The foregoing Title II was approved by every member of the joint Senate and House committees. It was not objected to by any member of our House committee. It is good and should be adopted. It is word for word the bill I introduced on January 14, 1925, being H. R. 11643.

The most reputable and honorable real estate men in this city agree to Title II and Title III. They say it will militate in favor of honorable transactions.

Now, I also wrote Title III of the bill and I know it is good. Title III provides that there shall be a licensing board here in the District of Columbia, which will not cost the Government one penny. I have modeled it after Gen. Nathan W. MacChesney's model license law. It will be financed out of the license fees paid by the realtors. There are nearly 600 of them in the District. It provides that the licensing board shall be appointed by the President of the United States, and that they shall issue licenses, and every realtor and realty salesman in business in this District must secure a license.

Then the board is to have the power to annul licenses for false practices. If they find a man engaged in dishonest practices they can annul his license, and he can not engage in the business any more. The fees are down so that it will not militate against the smaller men in this District. In other words, General MacChesney, who is an expert on the subject of license boards in the States, framed the skeleton of this bill as a standard act, which is in force in many of the States. It was proposed to make the license fee \$100, but it was thought that that would impose too great a burden on the small realtor, and we reduced it to \$30, which would provide funds for the board and would not be harsh on the small realtor.

These are constructive provisions which if enacted into law in this District will protect the people from dishonest realtors, and allow the old law of supply and demand to come back and operate.

I want to say this to you: The evidence before our joint hearings showed that for six years there has not been a single residence built in the District of Columbia for residential purposes; not one. Think of it! There has not been a single residence built in the District of Columbia for residential purposes in six years! The president of this commission testified before our joint hearing that not a piece of rental property in this District had been repaired except in isolated cases.

TAX ASSESSOR WILLIAM P. RICHARDS

Probably no man in the District of Columbia is better posted on real-estate values and real-estate conditions than Tax Assessor Richards. Let me quote from the hearings what he said last year about then extending the Rent Commission:

Representative BLANTON. Let me ask the assessor a question. First, last year when we had under consideration extending the rent law another year the Commissioners of the District of Columbia, through one of their members, called on you for your opinion of the matter and you wrote a very efficient letter in reply, giving your idea of what result the extension of that law might have, and you then in that letter expressed the opinion that the further carrying on of the Rent Commission would not relieve the situation. Is that still your opinion?

Mr. RICHARDS. I would like to explain exactly the circumstances under which I wrote that letter. I wrote a letter in reply to a request for a report on a bill which had been introduced.

Representative BLANTON. That was the rent bill?

Mr. RICHARDS. That was the rent bill. In writing that letter I considered what was in the proposed rent bill, which was in effect an indefinite continuation of the rent law. I showed how building operations were going on, how they had practically caught up to a normal condition in building operations, and in

considering the matter I had in mind this case of *Block v. Hirsh* (256 U. S. 156), in which the court said:

"The only matter that seems to us open to debate is whether the statute goes too far, for just as there comes a point at which the police power ceases and leaves only that of eminent domain, it may be conceded that regulations of the present sort pressed to a certain height amount to taking without due process of law."

Considering that language, I said that in my opinion the law did go too far and that I would report against any such law, and I ended up by saying:

"This office believes there is very little, if any, need for the extension of the rent act, but if it is determined that there still is an emergency and that there is a pressing need for the further extension of the act, it is respectfully suggested that such an extension should not be for more than a year from May 22, 1924, and that there should not be any provision in the law for a temporary suspension of the workings of the act, but that it should be for a definite time, requiring an act of Congress for any other extension."

Representative BLANTON. And that is still your opinion?

Mr. RICHARDS. It is.

Representative BLANTON. You have been assessor here how long?

Mr. RICHARDS. Since 1908.

Representative BLANTON. And you are thoroughly familiar with property conditions here in the District of Columbia?

Mr. RICHARDS. I should be in that time, I should think.

Representative BLANTON. Well, I think so.

CONNECTING RENT LEGISLATION WITH RUSSIA AND THE THIRD INTERNATIONALE

It will be remembered that Mrs. Brown, Secretary of the "tenants' league" has conducted the main campaign for the extension of the life of the Rent Commission. I quote from the hearings to show that she addressed not long ago the "League for Industrial Democracy," which is closely allied with the communistic movement in Russia:

Representative BLANTON. Now, may I ask you this: Is it or is it not the fact that the League for Industrial Democracy is against this legislation?

Mrs. BROWN. I was asked—I do not know "B" from "broom-stick"—about some of the organizations that you have asked me to speak to them.

Representative BLANTON. You spoke to them some time ago?

Mrs. BROWN. Yes; and they indorsed it heartily.

Representative BLANTON. When you spoke to that organization, and they came home with you, they did indorse it?

Mrs. BROWN. Yes, strongly; simply as a remedy for an existing condition.

LEAGUE FOR INDUSTRIAL DEMOCRACY

At its conference held at Belmar, N. J., June 25 to 29, 1924, some of its principal speakers were Paxton Hibben, Dr. Scott Nearing, Doctor Wolfson, and Anna Strunsky. The following is the report of Dr. Scott Nearing's speech to the conference:

Scott Nearing declared that not the British Labor Party but the Russian Communist Party was the precedent America should follow in organizing her Labor Party. A party that was attempted by labor in any other way would be subjected to disintegration along three possible lines, namely:

First, by those who considered themselves "conscientious objectors";

Second, by those who would "go with the group";

Third, by those who went into the party to break it up.

He explained to the benighted ones the exact meaning of political action, telling them that all of them took more or less part in political action. He made it clear with his questions:

"Do we vote?

"Do we serve on a jury?

"Do we apply to the courts for redress or relief?"

If we do all or any of these things he said "we take part in political action; we work through the machinery of a capitalistic state." Of course, he said, we all participated in political action to a certain extent, but labor would never, never get what labor wanted through political action.

"Can labor gain anything through political action?" he asked, and answered himself with a "Yes, but we don't expect more than a sort of improvement of the laborer, we expect his condition to be ameliorated by working through the machinery of the capitalistic state. The most that labor has gained in the past has been through third party movements—labor has had his hours, his wages, etc., regulated through political action due to the efforts of third party movements."

REVOLUTION UNOBTAINABLE THROUGH POLITICAL ACTION

Scott Nearing held that labor had gone as high as it could through political action. He was emphatic about this. "Social revolution," he said, "is unobtainable through political action. You can't use the machinery of the State to overthrow it. Gompers is going to vote, but not for labor. Sooner or later labor must break with the capitalistic state. When that comes there will be revolution." (Enthusiastic applause from the conference.)

WHAT WE SHOULD DO MONDAY BY OUR VOTE

In conclusion, let me hope that my colleagues will eliminate Title I in the bill, and let this worthless Rent Commission die, and then pass both Titles II and III, which are constructive and will be of great benefit.

We should never extend the life of this Rent Commission.

It would immediately cause property values here in the District of Columbia to slump at least 33⅓ per cent. Such slump would cause thousands of families who have bought homes and paid all they had as a cash payment to lose everything.

Respectfully submitted.

THOMAS L. BLANTON,

Member, Committee on the District of Columbia.



